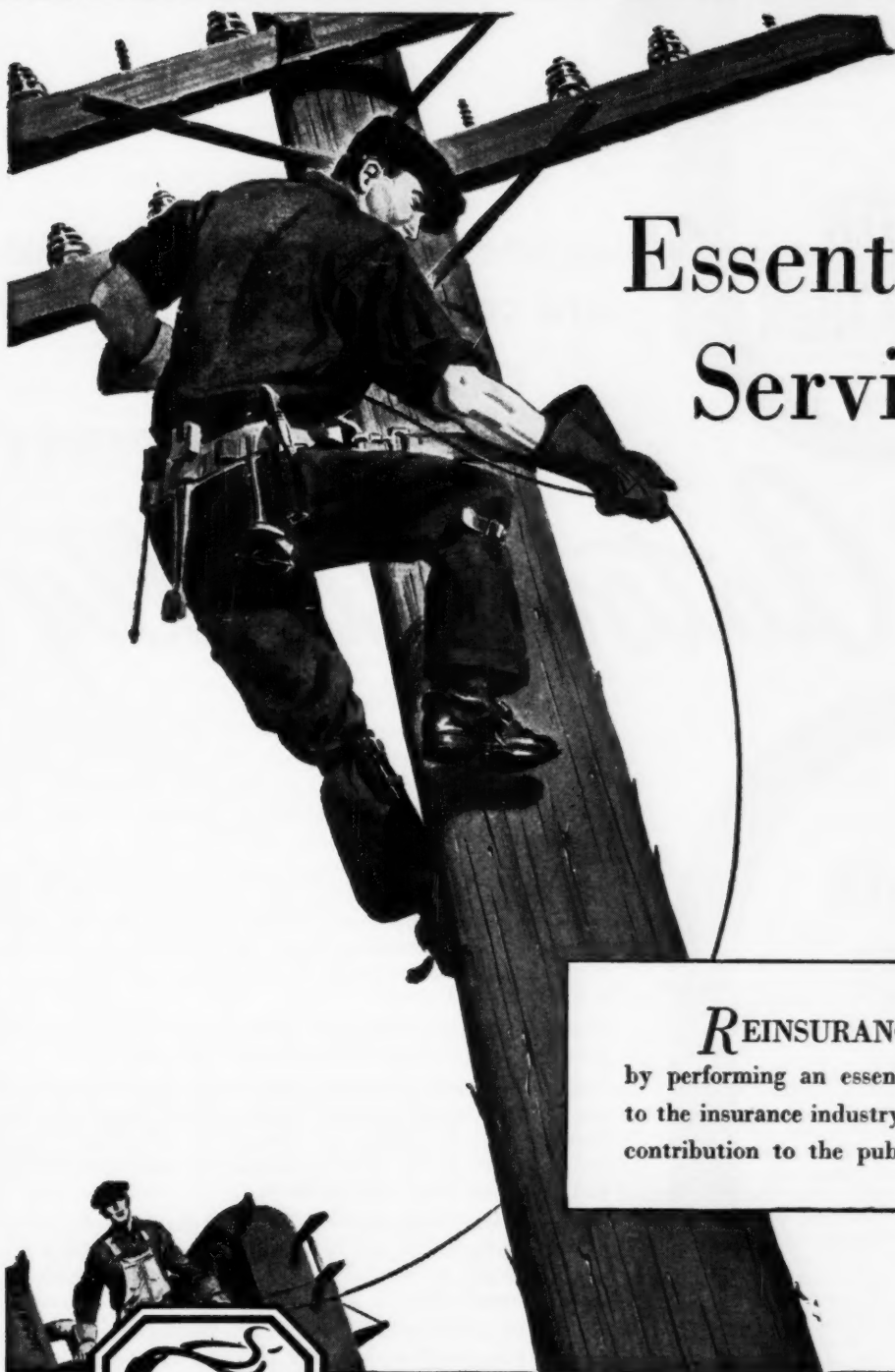


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## Ocean Marine Hull Underwriters Hope for Better in 1953

**Had Heavy Losses and Tough Competition in 1952; Cargo Fares a Little Better**

NEW YORK—Ocean marine hull underwriters are somewhat more optimistic, looking ahead, than anything that happened in 1952 justifies. Their optimism is based on the expectation that volume of premiums will be about the same this year, and evidence of some firming of rates. Perhaps a more measurable element is the leveling off of inflation, which should help substantially in leveling out the cost of hull repairs. It may not be too much, even, to expect repair costs to decline a little, before too long.

Hull experience in 1952 was bad. The American underwriters are going to show an appreciable loss on the line, the worst since the second war.

Underwriters could use a little good luck—and good weather in 1953. In late 1951 and early 1952 bad weather caused serious losses. The Pennsylvania, for example, went down in the North Pacific with loss of all hands. This was a serious blow to the insurers.

Several ships broke in two in 1952, the most famous one being the Flying Enterprise. Two tankers suffered the same fate. American Bureau of Shipping has issued new rules that call for the strengthening of tankers by steel strapping of the hulls. This should help; if nothing else, it should hold them together, once they have broken, until they get to port.

The shipping business has declined to some extent, but it is anticipated that this reduction will not be substantial enough this year to affect premium volume materially. However, another point underwriters are keeping in mind is that the American fleet is getting older, that it now averages 10 years or more. It is not being replenished except for tankers. There is quite a little ship building going on abroad, where costs are lower, but these are foreign flag ships.

Inflation has been the malaise of the hull underwriters. Probably no other insurance line except possibly third party liability has been hit by it so hard. Ship repairs frequently are long delayed. Any leveling of inflation trends will help the underwriters materially.

Among all the difficulties of hull underwriters, perhaps the most persistent and one of the most serious is the aggressive competition of the London market. This competition, which is especially tough in relation to the American market, has held rates below experience indications—on American business.

The fishing industry on both east and west coasts was not particularly good and insurance experience on it

## Big Liner Burns with Insurance Loss of \$5,600,000

The liner Empress of Canada, which burned and sank at a Liverpool pier, was reported insured for \$5,600,000 by Canadian Pacific Railway Co., the owner. Practically all of this was in markets outside the United States, apparently most of it in London. There is said to be a 1% courtesy line in an American insurer. Willis Faber of Montreal have been the brokers on the line. It is also reported that part of the value of the ship was self insured, which is likely in view of the policy of the Canadian Pacific in connection with other property.

No cause was determined for the fire which wrecked the 20,325-ton liner, one of three operated on the trans-Atlantic run by Canadian Pacific. The ship had been in drydock since Jan. 12, in preparation for a heavy traffic to the coronation.

The loss is another example of the kind of heavy blow ocean marine underwriters have been getting the last year or two, from common marine perils.

was very bad. There is no evidence of improvement. The market is tight and will probably get tighter. P.&I. claims have been heavy. The withdrawal of one very large P.&I. writer from the fishing fleet market has not helped; other underwriters have increased rates. Excessive P.&I. awards, often influenced by union intervention, have hit the insurers hard.

What was said to be the largest personal injury award by a jury in the history of Massachusetts was made last year to a Boston workman injured in 1950 off Newfoundland as he was hauling in slack wire on the winch of a fishing trawler. His left arm and part of his right hand were amputated. The award was \$150,000.

Late in the year the Fernstream and Hawaiian Rancher collided in San Francisco Bay and the Fernstream was lost, costing the hull underwriters heavily. This was another example of how throughout the year the marine toll went on.

Cargo experience in 1952 was not as good as in 1951 but was a lot better than hull. The underwriters believe they just about broke even in the year. Premium volume dropped fairly sharply due to the large shrinkage in commodity prices such as those on wool and rubber, accompanied by a decline in exports and the continued trend of some foreign countries to impose exchange restrictions which made difficult or impossible the functioning of American marine insurance and the prohibitions in some of those nations against foreign insurers participating in shipments in or out. Very little of the good shipped by the U. S. government is insured in the U. S. insurance market. It is either not insured or insured abroad.

## Ill. Governor Stands Up For Barrett in Face of Attacks

The senate executive committee has approved the appointment of Robert E. Barrett as Illinois insurance director. The nomination was to be voted on in the senate Wednesday afternoon, with confirmation expected.

Robert E. Barrett was compelled to run the gauntlet of denigratory editorial, news and columnist treatment on the part of Chicago newspapers as the time approached for the senate to take action on his appointment as Illinois insurance director by Gov. Stratton. However the governor came out strongly Tuesday in support of his appointee and as the hour approached for the senate to act, political observers expected to see him confirmed.

The first critical publicity in regard to the Barrett appointment was Jan. 17 in the Chicago Tribune, this being a story headed "Robert Barrett Contest Looms; Old Suit Dug Up." This reviewed some of the tangled past of Prudence Life, the assessment life and A. & H. insurer, which is now controlled by the Barrett family and of which Robert Barrett has been chairman. This company was in and out of the courts and was the source of some sulphuric internal brawls during the time that George F. Barrett, older brother of Robert, was Illinois attorney general, under a former Republican administration. It was not at that time a Barrett enterprise.

Gov. Stratton in speaking up for Stratton Tuesday said that he is appointing a 5-man advisory committee for the insurance department and that this is to be headed by H. G. Kemper, who is president of Lumbermen's Mutual Casualty.

The Chicago Daily News on Monday devoted its entire editorial space to a statement of reservations about the Barrett appointment, but it was the Chicago Sun-Times that made the most conspicuous attack. On both Tuesday and Wednesday their main stories on page one with the top headlines consisted of blasts at this appointment. "Stratton Appointee Risk Deals Told" was the Tuesday headline while that on Wednesday was "Bare More Ties of R. E. Barrett" and then their financial columnist Robert Vanderpoel had a few paragraphs of anti-Barrett copy. The Daily News in its editorial concluded:

"When the company (Prudence) was under the attorney general's jurisdiction (representing the director of insurance), the attorney general's family ought to have abstained from any participation in its affairs.

"The records show that they did not abstain."

"The possible abuses in such an intermingling of private and public business are obvious.

"Gov. Stratton has probably not weighted the implications that may be drawn by this appointment.

"Will his other appointees take it as an invitation for the members of their families to seek investment opportuni-

## Ohio Agents Not to Fight Multiple Line Legislation There

**Regard It as Primarily Company Problem; Only State Without Such Law**

CINCINNATI—Ohio Assn. of Insurance Agents will take no position on multiple line legislation this year, Arthur M. O'Connell, Cincinnati, legislative chairman and past president, announced. He said the agents are convinced it is primarily a company problem, involving underwriting powers and company structure, and the agents will not oppose any legislation sponsored by the companies, unless it would threaten agency licensing standards or permit unqualified companies to operate in the state.

Ohio is now the only state without multiple line legislation. Bills along these lines have died during the last two legislative sessions, largely because of the opposition of the head of a large independent Ohio company. Stock and mutual company organizations have favored the legislation, but there has been considerable difference of opinion on just what should be in such a bill.

"The agents hope," Mr. O'Connell said, "that the various interests will be able to settle their differences of opinion and prepare easily passable legislation so that bitter controversy may be avoided. We are particularly anxious that the Ohio association be not maneuvered into a position of seeming to oppose the measure, simply because organized agents cannot and will not neglect imperative agency legislation in order to promote multiple power legislation."

ties in the companies over which they have supervisory jurisdiction?

"The governor appears to have given strict instructions to all of his appointees to refrain from that kind of activity.

"But the ratification of these past acts may be remembered by his subordinates longer than his words.

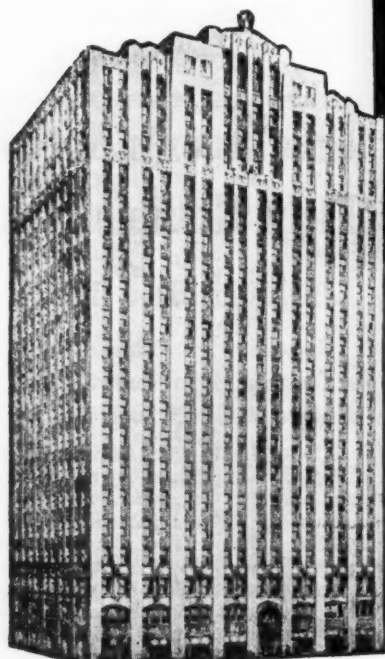
"The senate can save him from a misinterpretation that he, as an ambitious public servant, might come to regret."

"If I thought there was anything wrong with his ability or conduct I would not have appointed him," Stratton was quoted as saying on the Barrett appointment. There will be no double standard in this administration.

"I have yet to know of a director of insurance who hasn't had some connection with the industry. You can't ask a man to drop all his stocks and bonds to work for the state. You don't expect a man to make a pauper of himself to work for the state.

"We have nothing to hide." The daily newspaper reporters were complaining that they couldn't reach Mr. Barrett.





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## Chicago Board Elects Clarkson President, Krom as Manager

Chicago Board of Underwriters at its annual meeting elected John L. Clarkson, Bartholomay & Clarkson, president to succeed Edgar O. Stoffels, Stoffels Co.

In addition, Willard W. Krom was advanced from assistant manager to



John L. Clarkson



Willard W. Krom

manager and secretary, succeeding the late W. W. Hamilton.

Edwin P. Simon, Critchell-Miller, was named vice-president, and L. D. Stitt, Starkweather & Shepley, treasurer.

Directors are Donald R. McLennan, Jr., Marsh & McLennan; Lester Wronblith, Eliel & Loeb, and Clinton M. Hughes, Chidley & Reynolds. S. A. Rothermel, Moore, Case, Lyman & Hubbard, and Irvin C. Faber, Cook county manager of National Union Fire, were named to the patrol committee.

Because of illness, Mr. Stoffels was unable to attend the meeting. Richard T. Magner, Meeker-Magner, presided in his stead, and the presidential report was read by W. M. Sheldon, W. A. Alexander & Co., president of National Assn. of Insurance Agents, also a past-president of the board.

Mr. Clarkson entered insurance shortly after World War I, in which he served overseas as a lieutenant-colonel. A naval veteran of the last war, he continues to hold a reserve commission as commander.

Mr. Krom, a 26-year veteran with the board, started his work on forms, rates and rules, becoming regarded as an authority in that particular field. He was transferred to the department of investigation in 1932, was made assistant manager in 1944, and also elected assistant secretary in 1946. He has completed several of the formal insurance courses, including considerable work at Northwestern University.

The board named E. J. Dirksen, new executive secretary and manager of Illinois Assn. of Insurance Agents, as its legislative representative and counsel.

In his report, Mr. Stoffels urged continuance of the board's practice of holding informal meetings attended by members. He described these as an excellent medium for enabling members to present their ideas as to how the board should meet problems of the day.

### State Can Insure in Mutual

State agencies or public corporations in West Virginia may purchase mutual insurance without violating the constitution, according to an opinion from the attorney general's office.

The opinion was given to Mrs.

Gloria Ferrell of the insurance division in the department of purchases by Assistant Attorney General Spillers.

In regard to the contention that such agencies become "necessarily liable to assessments in unlimited amounts, regardless of the terms of the insurance policy," Mr. Spiller said the matter of liability to assessments may be legally and finally fixed in an insurance contract enforceable in court.

He also held that "the decided weight of judicial and administrative authority is to the effect that mutual insurance of public property" does not violate the constitutional provision against the state becoming a stockholder in any company or association.

## Underwriters Adjusting Advances Three

R. C. Doty has been promoted by Underwriters Adjusting to executive general adjuster. He devotes his entire time to large and complicated losses in the field.

H. B. Williams, Minneapolis manager, has been made supervisor of Minnesota and North and South Dakota succeeding F. S. King, assistant general manager, who has been handling this territory from Chicago. Mr. Williams has been with Underwriters for 26 years, and has served as manager at Duluth, South Bend and Minneapolis.

At Cleveland, George E. E. Ritchey, Jr., has been made manager succeeding A. P. King, who has been manager and district supervisor, and who remains as district supervisor for Ohio.

Mr. Ritchey has been assistant manager at Cleveland for several years.

## New Marine War Risk Insurance Totals Given

WASHINGTON—Latest revised figures of the maritime administration show that American War Risk Agency, acting as underwriting agent for the administration, had issued up to Dec. 31, 477 war risk hull binders, 475 war risk P. & I. binders, and 434 binders on the lives and personal effects of members of crews, under the government's marine war risk program.

A maritime report to Congress stated 162 vessels were insured which were chartered by the maritime commission to American operators on condition that they be time-chartered to the military sea transportation service. No accidents covered by these policies were reported.

The commission announced that for each war risk binder issued, War Risk Agency would receive \$18 for services in processing applications, depositing binding fees, issuing binders, and making periodic reports.

## Greenwich Board Elects

Insurance Board of Greenwich, Conn., has elected Charles T. Glines president; Edward L. Tracy vice-president; Waldo W. Loudon treasurer, and Nelson I. Beers secretary.

## Big Minneapolis Loss

Loss is estimated at about \$200,000 in the fire that destroyed the super market of National Tea Co. in the Minneapolis suburban community of Richfield. Building damage is estimated at \$150,000 and the stock at about \$60,000. Rodman M. Brown and Richard N. Olofson of the Olofson Co., Minneapolis, are co-adjusters on the building loss.



## America Fore Has Big Roundup

Approximately 1,500 America Fore executive and other home office personnel, field men and branch officers and personnel this week attended a national roundup in Atlantic City. The meeting was opened Monday morning by J. Victor Herd, executive vice-president, and at the banquet Tuesday evening Frank A. Christensen, president, was the featured speaker.

Various departments conducted business sessions during the three days and on Wednesday afternoon many of those who came from a distance from New York went to the home office for a day or two of informal visiting. Special cars brought personnel from St. Louis and westward and there were two specials out of Chicago to the meeting.

This is Continental's 100th anniversary year, and this is the first time that the group has had a national roundup of this size and character.

## U. A. Group to Meet in N. Y. April 1; Defining Acquisition on Card

NEW YORK—The uniform accounting subcommittee of National Assn. of Insurance Commissioners, headed by James J. Higgins of the New York department, will hold a meeting April 1 here to consider some amendments of instructions on uniform classification of expenses.

The agenda also includes a definition of acquisition and field supervisory expenses. These, it is suggested, shall include:

1. Commissions and allowances to agents, producers and managers except such payments actually made in good faith for services other than those of an acquisition nature when such services are not duplicated or otherwise not compensated for.
  2. The cost of field sales activities and development including activities of field men.
  3. The cost of policy writing except policies customarily written in the insurer's office. (The latter comprise risks involving requirements of information not ordinarily available to the agents or producers.)
  4. The cost of collecting premium items directly from insured. (Do not include activities in connection with accounts receivable from or payment to other producers.)
  5. Cost of rendering service to agents or other producers such as office space, personnel, telephone, etc. (Don't include fees for agent's licenses.)
  6. Cost of other activities reasonably attributable to those acts in the above paragraphs such as: keeping records; clerical, secretarial, supervisory and executive work; handling personnel, supplies, mail, etc.
- Expenditures made for home office, field or branch office activities other than those above should be allocated to expense groups other than acquisition and field supervisory expense.
- The accounting committee of Assn. of Casualty Accountants & Statisticians has put in a request to include moving expenses in operation expense classification, rent and rent item.

## Maguire Elected in N.Y.

Walter S. Maguire, North British, was elected president of Underwriters Assn. of New York State at the semi-

annual meeting at Syracuse.

Other officers include: George F. Nelson, Commercial Union, 1st vice-president; Walter S. Bachman, 2nd vice-president; Arthur S. Stevens, Hartford Fire, 3rd vice-president; H. L. Betts, secretary.

Edward A. Greenhalgh, Providence Washington, was chosen chairman of the executive committee.

Western Adjustment has opened a new office in the Orr-Flesh building, Piqua, O. Resident Adjuster E. N. Bradford will be in charge.

## Mo. Department Moves

The Missouri insurance department under Superintendent Lawrence Leggett is now handsomely situated in new quarters on the 11th floor of the new State Office building. This is a modern building with all the fanciest new features and is just being completed. The insurance department was able to get in before the building was actually finished.

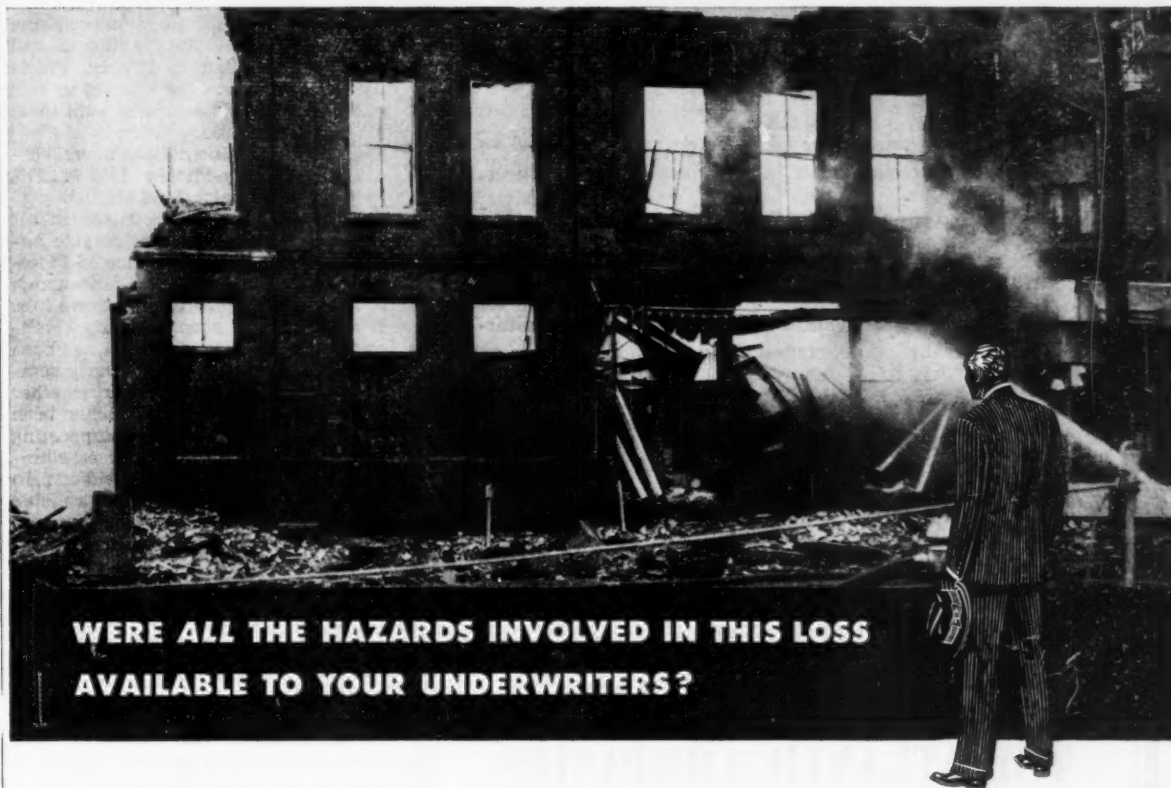
Bob Lightner of the Lightner agency and Jack Dotson of the Paul C. Yan-

key & Co. agency were named president and 1st vice-president respectively of the Wichita Metro Club.

## Fred Berlin Is President

Fred A. Berlin of Home has been elected president of Pittsburgh Fire Loss Conference. Vice-president is C. P. Logeman of National Union; secretary, W. T. Bode of Boston.

William J. Meyer, Milwaukee, state agent of the Loyalty group, discussed "Recent Changes in Fire Forms" at a dinner meeting of Insurance Women of Fend du Lac.



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## America Fore Results Reflect Constructive Year

Continental registered an increase in surplus during 1951 of about \$20 million and Fidelity-Phenix surplus went up about \$18 million, the annual statements reveal. The new surplus to policyholders of Continental is \$203,460,118 and Fidelity-Phenix \$183,367,091. Fidelity & Casualty with surplus to policyholders of \$64,662,306 made a gain of about \$8 million.

There was a statutory underwriting profit of \$4,700,635 for Continental and \$4,933,064 for Fidelity-Phenix. Fidelity & Casualty recorded a statutory loss of \$2,181,602. This compares with some \$12 million in 1951.

Assets of Continental are now \$292,036,943; Fidelity-Phenix \$253,742,375, Fidelity & Casualty \$186,792,165.

President Frank Christensen in his report, said there was considerable improvement in the experience of Fidelity & Casualty, but it was not enough to avoid a statutory underwriting loss. It remains to be seen, he said, whether the inflationary spiral that has been such an affliction to the casualty companies, has been arrested or whether other corrective measures have been effective. America Fore is supporting many worthwhile efforts to seek elimination of basic causes of accidents. In general, he said, there are reliable signs of a trend toward less unfavorable results in the casualty business.

In the report to Fidelity-Phenix stockholders President Christensen said that net premiums written were \$52,614,630 which was a decrease of \$2,816,664. The decline was due in part to the discontinuance of reinsurance premiums assumed which accounted for \$3,968,239 in 1951 and then there was a shrinkage of about \$1,700,000 in written premiums due to the use of the installment premium payment endorsement. Lower rates also had their effects. However, sources of direct income produced satisfactorily and offset a substantial portion of the premium shrinkage from indirect sources.

Losses incurred including loss adjustment expenses to premiums written were 49.73% and to premiums earned 49.92. These ratios compare with 51.6 and 54.12 in 1951.

The ratio of expenses (not including taxes) incurred was 37.94 of premiums written. This was composed of 24.85% expenses chargeable to commissions and 13.09% expenses chargeable to all other operations. Including taxes other than federal income and excess profits, the ratio of total expenses incurred was 40.52 to premiums written and 40.68 to premiums earned. The 1951 ratios were 38.47 and 48.36.

Federal, state and local taxes aggregated \$5,490,820 and this amounted to \$2.75 per share compared to \$1.75 in 1951.

Mr. Christensen remarked that despite the underwriting loss of F. & C. that company benefited from appreciation in market quotations of securities and from the rise in investment income. He emphasized, however, that underwriting and investment operations must be looked at separately. The America Fore management steadfastly maintains that the yield upon fire and casualty underwriting operations must consistently be sufficiently attractive to induce investors to expose their capital to the uncertainties of the business of insurance quite independently of the ebb and flow of market quotations for

securities and the investment income. At Dec. 31 the capital-surplus per share of Fidelity-Phenix was \$91.68 as compared with \$83.15 the year previous.

Net investment income earned per share was \$3.53, dividends declared were \$2.80. The net earnings per share before federal taxes were \$6 and after federal taxes \$3.93.

## Six Insurers Mark Centenaries in 1953

Insurance companies that are observing their centenaries in 1953 number some of the very largest. The centenarians of 1953 include Aetna Life, Home, Continental and Fidelity-Phenix, Farmers Fire of York, Pa., and Fulton & Montgomery Counties Farmers Mutual Fire of Amsterdam, N. Y.

## Evert, Hornberger Named

W. Brooks Evert has been promoted to superintendent of the fire division at Philadelphia for Glens Falls and William A. Hornberger has been promoted to casualty and bonding superintendent.

Mr. Evert has been special agent in eastern Pennsylvania and has been a Glens Falls man since 1945. He is a graduate of Lafayette, and has been an insurance man since 1931.

Mr. Hornberger has been a fire and casualty special agent in south Jersey. He attended University of Pennsylvania and entered the insurance business in 1938. He went with Glens Falls in 1941 and returned after army service.

## Herbert Corson Honored

Kenneth E. Black, executive vice-president of Home, was chief speaker at a luncheon at Nashville honoring H. Herbert Corson on his 25th anniversary with the Davis & Corson agency, which represents Home. Mr. Black reviewed the many contributions Mr. Corson has made to the insurance business.

## New Okla. N.A.U.A. Rates

The N.A.U.A. rate filing that became effective in Oklahoma Jan. 26 produces an estimated diminution of premiums of 4½% or \$600,000.

Northern of London was host at a luncheon at New York to Henry Rathemacher and Michael Muller on the occasion of the 30th anniversary of the Rathemacher & Muller agency with Northern.

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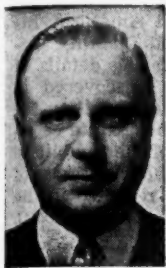
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## Carter Mantle Is Expected to Fall on Corson

An important problem before the Midwest Territorial Conference of National Assn. of Insurance Agents is replacing the late George W. Carter of Detroit as chairman of the conference committee.



H. H. Corson

Most people close to the scene expect H. H. Corson, Nashville, to take over.

Managing partner of Davis & Corson, one of the largest agencies in the middle west, Mr. Corson would carry on the tradition of the committee being headed by a large agent who is well known to and respected by company, rating bureau and state supervisory officials. He was the first chairman of the conference itself, serving two terms, and has been a stalwart of the N. A. I. A. metropolitan agents committee for many years. Last year, when it appeared that Mr. Carter's health might force him to retire, it was pretty well taken for granted that Mr. Corson would succeed him and nothing apparently has changed the situation since then.

Since the Midwest conference will meet in Detroit Feb. 23, it appears very unlikely that H. H. Huttenlocher, Pontiac, present conference chairman, will make an interim appointment before then. Mr. Carter's successor will probably be appointed either at Detroit or shortly after the meeting. A. G. Harrison, Louisville, present first vice-chairman, is scheduled to move into the top spot, and the appointment will probably be his first executive problem.

## New CAB Proposal Also Draws Fire

Civil Aeronautics Board is holding public hearings this week on the proposal for a financial responsibility act for commercial aircraft as a substitute for the CAB's original proposed regulation for compulsory insurance requirements.

The new rule would establish minimum financial responsibility standards on passenger liability, public liability, bodily injury and property damage.

Air Transport Assn. is opposed to this, saying that CAB has no lawful authority to make any such rules. Pan American, Trans-Canada and several other foreign airlines filed briefs concurring with this view.

Under the new rules an insurer to be satisfactory to CAB must be licensed in each jurisdiction in which the insured is authorized to provide air transportation and must have a B-plus rating or better by the A. M. Best Co., the insurance trade publishing organization.

Assn. of Casualty & Surety Companies filed a brief in its own behalf and in behalf of three aviation underwriting groups and said this qualification provision would authorize the board "to determine the financial standing and the ability and willingness to meet obligations of every quali-

fied insurer. This in effect would give the board broad powers of regulation and supervision of insurance companies" and "would constitute a serious infringement of state supervision and regulation of insurance and thus contrary to the intent of Congress and public law 15."

The association said it should be enough that the insurer is authorized in one or more states in which the insured is authorized to operate since that means the insurer is subject to state supervision.

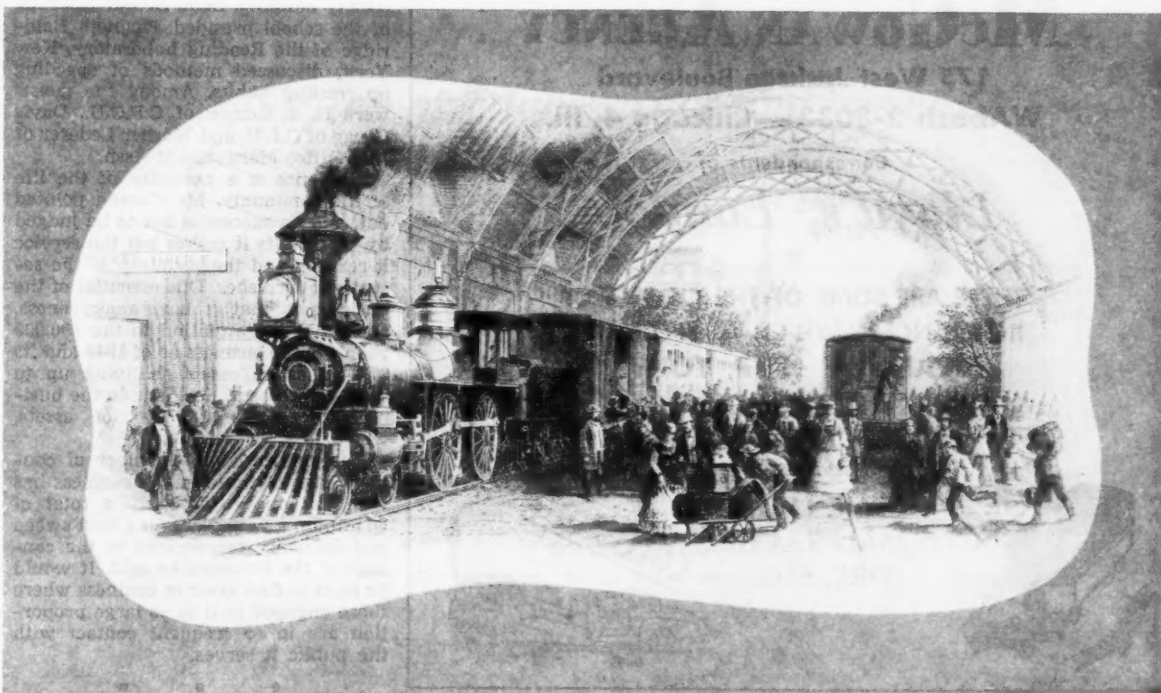
## Insurance Figures in 500 Bills in Cal. Legislature

More than 500 bills relating to insurance were thrown into the hopper before the California legislature adjourned Jan. 17. It will reconvene Feb. 24.

Included among the bills were several sponsored by the insurance department, and among these were:

A bill to increase the capital requirements for automobile liability and miscellaneous insurers; a bill clarify-

ing the existing laws relating to the investigation and subpoena powers of the insurance commissioner; a bill permitting immediate certification and payment of awards against insolvent workmen's compensation insurers (this was rushed through both houses and now is awaiting the signature of the governor); a bill extending the scope of blanket disability policies; a bill permitting promulgation of group disability standard provisions predicated on the 1951 standard provisions for individual policies.



## PORTRAIT OF PROGRESS

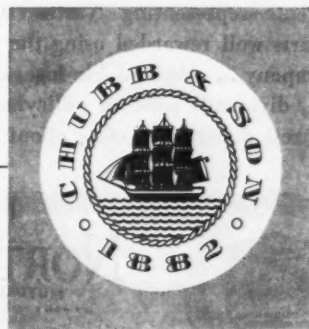
In 1882, the year Chubb & Son was founded, American railroads were a far cry from today's luxurious land liners. In meeting the specific insurance requirements of industry in this country, Chubb & Son has broadened its experience and obtained an intimate knowledge of insurance problems which has enabled it to originate and develop many of the forms which are today standards of protection. We are proud of our record of "Serving the Leaders" of American Industry and Commerce.

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## Successful Dinner for N. Y. Educators

NEW YORK—The annual faculty dinner of the insurance school of Insurance Society of New York attracted about 100 and was a highly successful affair. Ellis H. Carson, president of National Surety, a director of the society and head of the library committee, made the principal talk.

Vincent Cullen of Treaty Management, president of the society, said that plans are now in the making for a society building. Dean Arthur Goerlich of the school presided. Kenneth Baldrige of the Reading Laboratory, New York, discussed methods of speeding up reading habits. Among the guests were H. J. Loman of C.P.C.U., Davis Gregg of C.L.U. and Werner Lederer of Life Office Management Assn.

Insurance is a necessity of the life of the community, Mr. Carson pointed out, and its success is not to be judged by the profits it makes but the service it renders and the certainty of the security it furnishes. One essential of the business is that it have massiveness, and he called attention to the 600,000 people in the business as of 1949 and its \$72 billion in assets as living up to this requirement. Each one in the business represents \$120,000 of assets, which is a record high.

He emphasized the number of contacts each of those in the business has with the public, probably a total of 60 million a year. There is a vast sweep and influence represented in the conduct of the business, he said. It would be hard to find another business where those engaged in it in so large proportion are in so frequent contact with the public it serves.

This means that those in the business must be well informed—as they are, he said. Insurance people are not trained for positions but for the business. Experience demonstrates that it does not matter what particular specialty a person is trained in when the opportunity of a broader service arises.

It is too bad, he said, that those in the business think of life insurance as another business. It is becoming more essential that those in insurance as a whole stand together. There is much stimulation of ideas when this compartmentalization breaks down.

He noted certain basic principles common to all forms of insurance—insurable interest, indemnity, etc. In automobile liability there is demonstrated the inherent capacity of insured blindly to select against the insurer, a thing quite apparent in life insurance and the underwriting of business there.

Mr. Carson thinks the conduct of the business is such that a certain kind of temperament is attracted to it; this is not the speculative type, certainly, because insurance people are called on to so great an extent to function in times of trouble.

The 1952 figures were not extravagantly good for his company, he commented, but were much better than in 1951, and every department helped. Losses were better, expenses were down, overdues were fewer, etc.

## Safety Mass. Buyers' Topic

Massachusetts Insurance Buyers Assn. at its meeting at Boston Jan. 19 heard three of its own members discuss the handling of accident prevention in their organizations. On the program were Hugh F. Lovering, assistant safety manager New England Pow-

er Service Co.; Ezra Merrill, assistant treasurer of H. P. Hood & Sons, and Dennis F. O'Brien, assistant treasurer of Dewey & Almy Chemical Co.

## More Examination Details Given by Ins. Institute

A joint committee of Insurance Institute of America and American Institute for Property and Liability Underwriters is now releasing details of the subject matter to be covered in three examinations leading to the award of the Insurance Institute certificate. This is a result of the combining of the two educational programs of these organizations, as reported in the Sept. 11, 1952, issue of THE NATIONAL UNDERWRITER.

The new examinations will cover "General Principles—an Introductory Course, the Principles of Fire, Marine and Allied Lines Insurance and the Principles of Casualty Insurance and Surety Bonding." They have been designated in that order "A," "B" and "C." Topical outlines have been prepared for each part to serve as a guide to the reading adjusted for those wishing to prepare for the examinations. The outlines can also be used by teachers and others who conduct organized classes and study groups. There will be no correspondence courses.

There is no academic prerequisite of any kind, although it is recommended that those applying for examinations attend classes conducted by insurance societies, insurance library associations, colleges, company groups, etc. The institute will encourage and foster development of organized classes to cover the material in as many locations as possible.

Examinations for the courses will be given for the first time in May concurrently with the institute's examinations on the old basis. Registration for the new examinations must be made by April 1.

In addition to the topical reading outlined, which has been pitched at the level of those who have attended high school, also being prepared is an outline on a more elementary basis than part "A." It is designed for those who need only a general orientation to the insurance business or who have not had the benefit of a high school education.

Additional information may be obtained by writing Insurance Institute of America, 3924 Walnut street, Philadelphia, Pa.

## Colo. Qualification Bill

Examination of agents before licensing would be required under a bill introduced in the Colorado legislature by Rep. Frank L. Hays, Jr., Denver Republican. It would not effect agents who already have their licenses, but provides for reexamination of such agents if charges are brought against them before the insurance commissioner. Type of examination required would be determined by the commissioner.

## Lampe to Harrisburg

William L. Lampe, with Atlantic Mutual a number of years, first as special agent in Ohio and for the last two years with the production department at the home office, has been transferred to Harrisburg, to assist in servicing central Pennsylvania.

Basil Morrisette spoke to Insurance Women of Richmond on "The Importance of Statistics in the Insurance Business."



## Automobile Filling Station Form In West Is Improved

A revised and simplified automobile filling station form was introduced in Iowa this week and the indications are that this will become common to the other western states. This is the form under which filling stations are written at a flat rate of 35 cents.

In the previous form there was a \$250 limit on so-called incidental merchandise which consisted of items other than automobile equipment. There is now no such limit. This restriction has been something of a sales impediment because there was no published rate or established means of providing insurance on such incidental merchandise in excess of \$250.

There is a clarification in the form so that it can definitely be written for less than all the values at the station. What is covered is the insured's interest in all real and personal property and thus a tenant may insure his interest only, the building owner may do likewise or an owner-occupant may use the form. The old form undertook to mention all the classifications of property that were covered. The new form instead covers all real and personal property subject to listed exclusions.

## Live and Let Live Assn. New Seattle Organization

The "Live and Let Live Association" of Washington was formally launched at the annual banquet of King County Insurance Assn. at Seattle. Presenting the objectives of the new traffic safety organization was its founder and leader, Roderic Olzendam, former head of the Washington state department of social security.

The association's program will start with the issuing of dashboard cards pledging drivers to be careful and considerate in handling their cars. These are to be available at state patrol and police offices, from local agents, newspapers, automobile associations and automobile dealers. Membership emblem markers for use on automobiles will be available in February. After one year of accident-free driving the member will be entitled to a silver marker, and at the end of three years of no accidents he can change his marker from silver to gold.

New King county officers installed at the banquet include LeRoy Hunter, president; W. H. Crockett, vice-president, and Robert J. Culliton, secretary. Thomas A. Harman was toastmaster.

## Whitelock Ind. Chief Deputy

Harold E. Whitelock, former securities commissioner for the Indiana secretary of state, has been named chief deputy insurance commissioner. He is also a former deputy attorney general.

## Foerster Appleton Speaker

Urban M. Foerster, Jr., Appleton, special agent of Hartford Fire and a member of the education committee of Wisconsin Fire Underwriters Assn. public relations section, spoke at a dinner meeting of Appleton Assn. of Insurance Agents on educational opportunities for agents and prospective agents.

## John A. Fish to Waverly, O.

John A. Fish is now operating the agency at Waverly O., that was pre-

viously owned by C. C. Bumgardner and the name has been changed to John A. Fish agency. Mr. Fish was formerly manager at Covington, Ky., for Western Adjustment. He is a director of First National Bank of Waverly and has farming connections in Pike county, of which Waverly is the county seat.

Donald A. Robbins, Sr., has joined Edward J. Kabelac in the local agency business at Tannersville, Pa., operating as Kabelac & Robbins. Mr. Kabelac has had an agency since 1948.

## Opens Los Angeles Branch

Bergman-Lefkowitz Insurance Agency with head offices at Chicago and with branches at New York and Miami, has now opened a new branch at 6363 Wilshire Blvd., Los Angeles. This agency provides a market for cast coverage although it does not deal in this line exclusively.

## Opens Appraisal Service

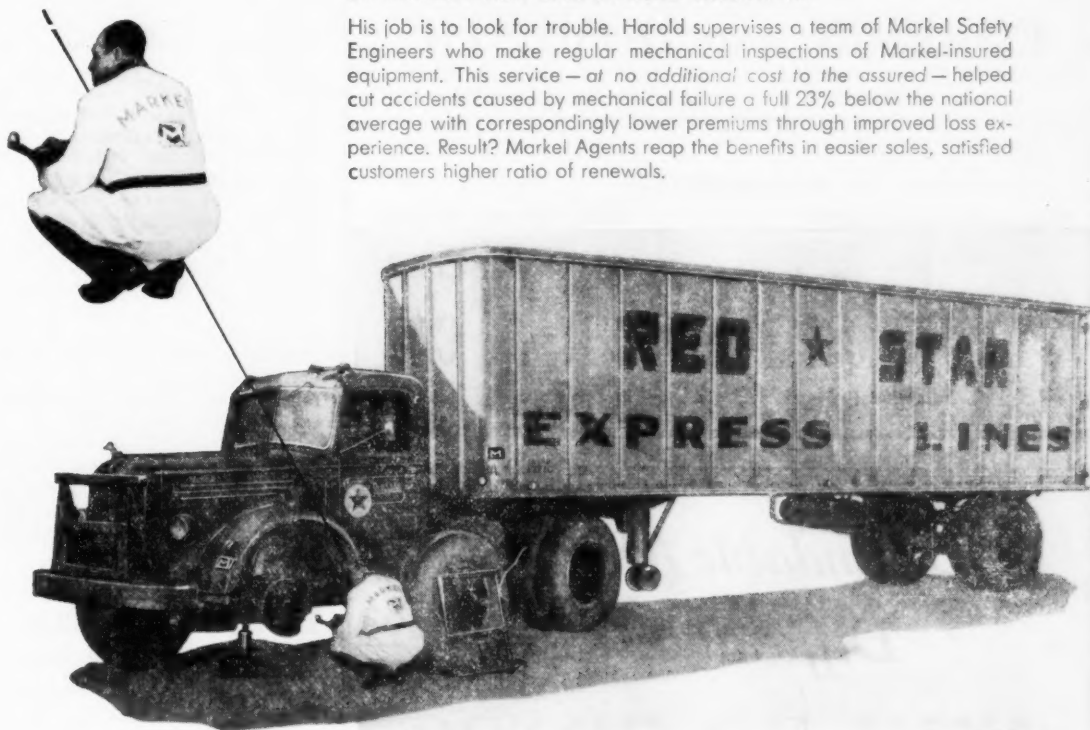
Bertson House, a large china and glassware establishment in New York

City, has established an appraisal department for insurance purposes. Daniel K. Morgan, who has had 28 years of experience as an appraiser, is the manager of the new department, which will handle appraisals covering the general field of household goods and industrial plants, restaurants, clubs, public buildings and hotels. Mr. Morgan will appraise antique and modern furniture, paintings, china, glassware, rugs, books, jewelry and furs. Bertson House is associated with William H. Plummer & Co. of New York City.

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## More Speakers Are Listed for Midwest Conference Meet

Additional plans for the Midwest Territorial Conference at Detroit Feb. 22-24, have been announced.

H. Clay Johnson, deputy U. S. manager of Royal-Liverpool, will give the keynote address on "Insurance in the Public Eye".

Walter M. Sheldon, Chicago, president, National Assn. of Insurance Agents, will talk on "Principles in Business," and Commissioner Navarre of Michigan will be a luncheon speaker on "The Point of View from the Supervisory Angle".

Paul K. Mullen, secretary of the marine division of National Union Fire, will talk on "Farm Marine Coverages".

A unique tribute is to be paid the late George W. Carter of Detroit, chairman of the Michigan association conference committee, who was to take a prominent part in the program according to original plans. In view of his recent death, a memorial session now is being developed by the past chairmen of the territorial conference, Commissioner Navarre; J. Grant Moore, Port Huron, president of the Michigan association; President Sheldon of the National association; M. E. Peterson, Springfield F. & M., Chicago, president Western Underwriters Assn.

There will be a clinic-type session on "Road Aid—What Is It and How Does It Operate?" The Detroit association has developed a successful plan for assistance to insured motorists that will be explained in detail. It involves a central telephone exchange and organized garages and service stations, with the companies cooperating in a monthly reporting form from road aid instead of loss reports on each road service loss.

## Tax Equalization Bill Is Offered By Rep. Mason

Rep. Mason of Illinois has introduced a bill numbered HB-1559, for a "tax equalization act" that would put mutual fire and casualty companies on the same footing so far as federal income tax is concerned as the stock companies. That is, they would be subject to the corporate rate of tax on underwriting income and net investment income. Presently the mutual companies, except for the very small ones, pay the corporate rate on investment income, or 1% of underwriting income and investment income whichever is the greater.

This bill is not related to the undertaking of Allstate of Sears Roebuck & Co. to bring about a uniform basis of taxation in the fire and casualty insurance field. Allstate is trying to confer with all elements of the business in an endeavor to get an industry proposal, if possible. The Mason bill is understood to have the backing of National Tax Equality Assn.

## la. Legislature Appointees

Jacob Van Zwol, agent at Paullina of Northwestern Mutual Life, was named as chairman of the house insurance committee in the Iowa legislature. Elmer K. Bekman, Ottumwa lawyer, is chairman of the senate committee.

Both Iowa Assn. of Life Under-

writers and Iowa Assn. of Insurance Agents are sponsoring bills for an agents' qualification law.

## McKinney, 60-Year Man with Millers of Alton, to Retire

George A. McKinney announced this week at a directors' meeting his intention to resign as executive vice-president and principal operating officer of Millers Mutual Fire of Alton, Ill., on July 18. That will mark his 60th anniversary as a Millers of Alton man. Dr. A. R. McKinney, his father, had been head of the company before him. George McKinney presently is president of National Assn. of Automotive Mutual Insurance Companies; he was president of National Assn. of Mutual Insurance Companies in 1943-45, and president of Federation of Mutual Fire Insurance Companies in 1944.

He will continue as a director of the company. C. D. Kellenberger will become the new executive vice-president. Ben C. Vine will become vice-president and will retain his position of general manager of the general business department, and Nelson R. McBrien will become secretary and continue as head of the claims department.

## N. Y. Head of L. & L. Is Feted on 50th Anniversary

Joseph T. Goeller, local secretary of London & Lancashire at New York,



Joseph T. Goeller

on his 50th L. & L. anniversary, was feted on several sides. He was guest of honor at a luncheon given by the directors of the affiliated Safeguard and London & Lancashire Indemnity and at that time presentations were made to him on behalf of the head office

of L. & L. and the directors of the U. S. affiliates. That evening he was tendered a cocktail party by the New York staff and presented with a wrist watch. He was also honored at a luncheon by officers of New York Board and members of the fire patrol committee.

Mr. Goeller has the title of vice-president and director of Safeguard and L. & L. Indemnity, and he is a director of Orient. For 14 years he was chairman of the New York fire patrol committee.

He started with L. & L. as an office boy and in 1921 was named assistant local secretary. He has been local secretary in charge of the New York office since 1929.

## Urge Pa. "Exam" Fees

HARRISBURG, PA.—Free agents' and brokers' examinations in Pennsylvania were attacked by the state's "Little Hoover" committee as a practice that should be halted in the interest of economy. The study group, appointed by Gov. Fine to appraise the state governmental system, proposed that fees be charged for the examinations conducted by the insurance department. Its suggestions have been submitted to the governor and will be passed along to the legislature.



## PREMIUMS ARE \$15,000

### Reviews Insurance Activities for Ike's Inauguration

Premiums for insurance taken out by citizens inaugural committee for the inauguration of President Eisenhower totaled about \$15,000, according to Jules C. Ricker, the broker who handled the business. Leonard Walsh was chairman of the insurance committee.

On each of the 38 stands for spectators to view the parade there was \$5,000/10,000 primary third party liability coverage in Aetna Casualty and 95/190 excess of that with London Lloyds. There was 100/500 liability limits on the inaugural ball that was held at two separated buildings. Indemnity of North America had the insurance at the National Guard Armory and London Lloyds had it at Georgetown University gymnasium.

There was 100/300 limits on the pre-inauguration festival for guests at Uline Arena with Indemnity of North America, the premium being \$200.

Lumbermen's Mutual Casualty which has the primary insurance at Capitol Theater carried the 100/300 limits for the festival there for a premium of \$15. The premium was a lot lower there because the theater seats are fastened to the floor.

Aetna Casualty has the primary coverage on the Statler hotel and was given 100/300 limits of contingent liability insurance covering a reception to the state governors there.

Aetna Casualty also handled a non-ownership policy covering new cars loaned by manufacturers or dealers to officials and to the inaugural committee, also covering 50 floats in the parade. Indemnity of North America had a 50/100 PL policy and \$300,000 food products liability coverage protecting the committee and District of Columbia in connection with the operation of some 40 food and refreshment stands by concessionaires.

Aetna Casualty furnished a fidelity bond on committee employees and volunteer workers. There was 100/300 coverage on the office of the committee's housing unit, the parade ticket office and the inaugural headquarters.

Aetna Casualty had outside and inside holdup and burglary insurance at Washington Baseball Park where money from sale of parade tickets was held. Aetna Casualty had the workmen's compensation on committee employees.

Appleton & Cox had the hat check coverage at the ball and two locations up to \$100,000 with \$4,000 limit per garment. The premium was \$1,100.

There was a contingent liability policy protecting the committee from claims arising while the parade review stands were being constructed and demolished.

### Ohio Code Bill Advanced

The judiciary committee of the Ohio house has recommended passage of the Ohio code revision bill with amendments and it is expected that the measure will be passed in the house this week. Introduction of new bills has been held up until some action is taken on the code.

A joint commission will be set up

which will hear objections to the code and then report another bill at the close of the session to correct any errors. Passage of the code bill in both houses is now expected.

### Oppose State Insurance Agency in Connecticut

Assn. of Insurance Agents is opposing a bill to establish a central state purchasing office for all state insurance which would return commissions to the state.

The agents have taken no stand on an unsatisfied judgment fund bill introduced similar to the one in New Jersey.

The legislative committee has voted to neither sponsor nor support any bill that places a statutory limit for death arising from an automobile accident.

John Hardeorfer of Milford, O., has been installed as president of Clermont County Assn. of Insurance Agents. Leonard Harding, Jr. of Milford is vice-president and Harold Shinkle of Loveland is secretary. The speaker at the dinner meeting was W. R. Dignan, Cincinnati A.&H. agent.

### Pearl Makes Several Changes

E. Roy Frey has been appointed manager at Philadelphia for Pearl, succeeding Alfred T. Herkness, who has retired on pension. This office handles Philadelphia and suburban, Delaware and southern New Jersey. Mr. Frey went with Pearl in 1935 in West Virginia and western Pennsylvania, in 1945 was transferred to Philadelphia and has been assistant manager there since 1949.

David R. Maitha, chief fire underwriter at Philadelphia, has been promoted to agency superintendent.

At the New York head office, Fred M. Schmees is appointed assistant underwriting secretary. He went with Monarch Fire at Cleveland in 1929 and was transferred to New York in 1936. After army service during the war he was appointed chief fire underwriter and was later elected assistant secretary of Monarch Fire and Eureka Security.

John W. Busch is the new head of the inland marine department, succeeding

G. C. Daubert, recently resigned. Before the war he was inland marine manager for the middle and southern departments with headquarters at Philadelphia, and after serving in the war he became inland marine executive special agent and then assistant inland marine manager.

Chris C. Meyer, Walter H. Tarbox and Edmund D. McDonald have been appointed agency superintendents at New York.

Wallace E. Spedding, formerly special agent at Buffalo, becomes agency superintendent at New York, succeeding W. A. Barclay, who is soon retiring.

### Mutual Agents Push C.P.C.U.

WASHINGTON—National Assn. of Mutual Insurance Agents is making one of its major objectives for 1953 a drive to get more of its membership to become C.P.C.U.'s. Howard W. Legg, Baltimore, chairman of the C.P.C.U. committee, said that the goal is to have five times the present number of mutual agents become C.P.C.U.'s in the next five years.

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## Cal. Union Under Cravens-Dargan; Brown Resigns

SAN FRANCISCO—Cravens, Dargan & Co., which "absorbed" all of the business of Edward Brown & Sons, which seeks to surrender its licenses as a general agency under charges that it had misappropriated premium funds to its own use, has now become the managing general agents of California-Union Ins. Co., organized and operated by the Brown office. Benton A. Sifford, vice-president of the Brown firm and California-Union, is temporarily acting as president following the resignation of Arthur M. Brown, Jr. Mr. Brown said he resigned to avoid further complicating the company with the charges against the general agency. Directors of California-Union will attend the hearing on the Brown charges representing that company's interest, Feb. 10.

## Ga. Agents Protest Naming of Part-Time Hail Agents

The appointment of fertilizer dealers, hay, grain and seed men, filling station operators, "and even farmers themselves" as hail insurance agents by certain companies has been censured by Georgia Assn. of Insurance Agents.

A statement, adopted by the rural and small lines agents committee and executive committee of the association, and sent to all hail-writing companies in the state, charges that such appointments are "contrary to good relationships between these companies and their other agents, and of definite harm to the standing and influence of the American agency system."

Such appointments "serve no useful purpose," the statement continues, "except to switch hail insurance business from agents of good standing to the companies making such appointment; fertilizer and other such dealers use their lending powers to coerce the hail insurance; and the appointment of farmers for the writing of hail insurance is usually a pure rebating practice."

The association also points out and recognizes that most of the appointments complained against have been

made by "over-zealous field men, mostly young and inexperienced," and that such practices would never be sanctioned by the management of these companies if they were aware of it.

## Goldman Joins Indiana Agents in P. R. Post

John M. Goldman, Indiana state agent of New Hampshire Fire, has joined Indiana Assn. of Insurance Agents as public relations director.

Mr. Goldman for the last two years was co-chairman of the special committee for the Hoosier Plan for Agency Education, and since last August he has been chairman of the public relations committee of Indiana Fire Underwriters Assn., working closely with the agents.

After his return from five years of service in the war, Mr. Goldman joined Indiana Audit Bureau in 1946, and in 1949 he went with Travelers Fire as assistant manager in central Indiana. He became state agent of New Hampshire in 1951.

## Central Mutual Raises Its Dividends to 20%

Central Mutual of Van Wert, Ohio has increased dividends on several classes of business. Dividends for policies expiring in April, May and June are now 20% on fire allied lines, while the 15% scale will continue for automobile, aircraft, burglary, inland marine and plate glass.

Central Mutual in 1952 had net premiums \$17,893,000. Surplus increased \$5,122,000 to a total of \$10,032,797, and assets went up more than \$4,000,000 to \$34,044,550.

## Alamo Officers Move Up

Alamo Blue Goose held its mid-year swim at San Antonio. The ritualistic work was by the same team which appeared at the Dallas grand nest meeting. Twelve candidates were initiated.

The resignation of J. Sid Cunningham, American General, as custodian, was accepted. W. C. Lawrence, Home, keeper, was advanced to custodian; E. B. Moore, Aetna, welder, to keeper, and Forest McPhaul, Glens Falls, chairman of the entertainment committee, was elected welder.

## Marantette Heads Detroit Agency

David T. Marantette has been elected president of Detroit Insurance Agency, succeeding the late George W.



D. T. MARANTETTE

Carter. H. L. Newnan, veteran official of the agency, continues as vice-president, as does W. S. Faber. Gordon D. Daugarty is named secretary and treasurer. Formerly Mr. Faber in addition to being vice-president was also secretary and Mr. Marantette was treasurer as well as being vice-president.

## G.A.B. Has New N. C. Unit

General Adjustment Bureau has opened a new office at Salisbury, N.C., to service losses in Iredell and Rowan counties. James M. Stanley is adjuster-in-charge. He joined G.A.B. after the war, and most recently has been at Winston-Salem.

## Plan Jersey City "Day"

Hudson County Assn. of Insurance Agents will hold an Insurance Day at Jersey City.

The program will be devoted entirely to fire insurance, including forms and endorsements, but excepting any time element coverage.

## Honor the Weil Agency

Great American was host at a dinner to the principals of the Benjamin Weil agency of Milwaukee on the occasion of its 75th year of representation by that company. From the western department at Chicago were Vice-presidents Earl Sanborn and Roger Billings and Agency Superintendent John Rowley.

## Miami County Assn. Elects

George Weadock of Piqua, O., has been elected president of Miami County Insurance Agents Assn. He succeeds Richard Carver of Troy.

## Camden Dinner Feb. 5

The annual dinner of Camden County Assn. of Insurance Agents will be held Feb. 5, at Camden, N.J. An attendance of more than 250 is expected.

## Hayslip Leaves Okla. Board

Gordon F. Hayslip, who has served Oklahoma insurance board as attorney, policy analyst and in the handling of

fire and casualty claims, has resigned effective Feb. 1. He has been with the board since 1947. He has not announced his plans for the future but will probably continue in insurance.

## National Advertising for Feb. Is Listed

Following is the national advertising which fire and casualty companies have reported for February issues of the publications listed. Where no date is indicated the publication is a monthly magazine.

Aetna Insurance group—Pathfinder, Feb. 18; Time, Feb. 16.

American Credit Indemnity—Burroughs Clearing House; Credit & Financial Management; Dun's Review; Fortune; Journal of Accountancy; Nation's Business; Wall Street Journal, Feb. 3, 10, 17, 24; U.S. News & World Report, Feb. 20.

American Mutual Liability—Business Week, Feb. 28; Newsweek, Feb. 16; Time, Feb. 23.

Boston Insurance Co.—Boston Business; Christian Science Monitor, Feb. 11, 25.

Central Mutual—Saturday Evening Post, Feb. 14.

Employers' Group—Time, Feb. 23.

Hartford Accident—American Bar Association Journal; Burroughs; Business Week, Feb. 21; Credit & Financial Management; Life, Feb. 23; Nation's Business; Newsweek, Feb. 9; Pathfinder; Saturday Evening Post, Feb. 28; Time, Feb. 2.

Hartford Fire—Better Homes & Gardens; Engineering News Record, Feb. 19; Farm Journal; Nation's Business.

Home—Business Week, Feb. 14; Nation's Business; Newsweek, Feb. 23; Pathfinder, Feb. 18; Time, Feb. 16; U.S. News & World Report, Feb. 27.

National Board—American Press; Editor & Publisher, Feb. 7; Farm Journal; Look, Feb. 24; National Publisher; Publisher's Auxiliary, Feb. 14; Saturday Evening Post, Feb. 28; This Week, Feb. 22.

North America—American Home; Better Homes & Gardens; Burroughs; Business Week, Feb. 28; Christian Science Monitor, Feb. 4, 11, 18, 25; Construction Methods & Equipment; Dun & Bradstreet's International Markets; Exporter's Digest & International Trade Review; Export Trade & Shipper, Feb. 2; Extension; Newsweek, Feb. 16; Saturday Evening Post, Feb. 7; Sea & Pacific Motor; U.S. News & World Report, Feb. 20.

Phoenix of Connecticut group—Pathfinder, Feb. 19.

State Farm Mutual Automobile—Collier's, Feb. 28; Country Gentleman; Pathfinder, Feb. 18; Progressive Farmer.

## N. Y. Bills on Surplus

Insurance department bills have been put in the New York legislature which would require New York domestic insurers to maintain the \$500,000 minimum surplus to policyholders that is required by law, irrespective of the kinds of fire-casualty insurance written. This requirement would be made to apply also to trustee surplus of U. S. branches of alien insurers. The legislation is needed, it is said, because under multiple line underwriting powers an insurer actually can qualify to write certain single lines, such as burglary, by putting up less than \$500,000.

Service Beyond  
the Contract

The NEW ZEALAND  
Insurance Company Limited

United States Head Office  
Since 1875  
San Francisco

William M. Houston, U. S. Mgr.

FIRE • MARINE • CASUALTY • AUTOMOBILE

INSURANCE COMPANY  
OF THE  
STATE OF PENNSYLVANIA

108 WALNUT STREET, PHILADELPHIA 8, PA.



## \$1½ Million Loss to Insurers in Box Plant Fire, Philadelphia

The corrugated box manufacturing plant of Conelly Container at 51st street on the Schuylkill river in Philadelphia was destroyed by fire with what is estimated to be a \$1,500,000 insurance loss to building and contents. There probably will not be as much as 10% salvage. The building, it is estimated, would cost \$2 million to replace today, and it is estimated that there were about \$600,000 of contents with \$340,000 insurance.

The building was of brick with asbestos roof, concrete floors and steel beams, and it was 25% sprinklered. A wall between it and the adjoining gasoline plant of Allied Fuel Corp. toppled during the blaze, but its existence, which insurance engineers had suggested, probably saved the gasoline plant. The fire department had difficulty getting adequate pressure until the fire was well under way and the customary closing of the river bridge to traffic 12 midnight to 6 a.m. prevented fire boats from coming in to help while there was still a chance to save part of the structure.

### Rules on Licensing Co-op

Attorney General Brown of California, on request from Commissioner Maloney, has held "that neither a consumers' nor a wholesalers' corporation is a 'nonprofit corporation' within the meaning of the insurance code, and either may obtain a producer's license under the same conditions as those applicable to a stock corporation. The payment of participating dividends out of accumulated earnings of the cooperative corporation does not constitute an unlawful rebate in any situation where the payment of dividends to stockholders of a stock corporation licensed as an agent or broker would not be such a rebate."

### C. C. Simms Retires

Claude C. Simms, who has been manager at Fresno, Cal., for Swett & Crawford, since the office was established there, has retired. He has been with the organization since 1926. M. E. Minehan succeeds Mr. Simms at Fresno.

ford, since the office was established there, has retired. He has been with the organization since 1926. M. E. Minehan succeeds Mr. Simms at Fresno.

### Visit Washington to Plan N.A.I.A. '53 Meeting There

N.A.I.A. President Walter Sheldon, Vice-president E. J. Seymour, Secretary John Neville and Assistant Secretary Don W. Perrin, accompanied by their wives, are due at Washington for four days next week to take up with local people the planning of the association's 1953 national convention there.

### Otis Joins Fargo Agency

James H. Otis has joined the Warner & Co. agency of Fargo, N. D., as an account executive. He has been with Hartford Accident since 1938 except for army service during the war. He graduated at University of Illinois and University of Wisconsin law school. At Hartford he was with the claim department, then special agent and since the war he has been superintendent of agents at St. Paul.

### Olmsted Leaves Army Post

Maj. Gen. George H. Olmsted, chairman of Hawkeye-Security of Des Moines, has stepped down as director of the Defense Department's military assistance office at Washington.

He was recalled to active duty in 1950 and has been on leave of absence from his company post. He will continue as commander of the 103rd army reserve division in Iowa.

### Meiers Owosso President

E. F. Meiers has been elected president of Owosso, Mich., Assn. of Insurance Agents, succeeding Ruth Y. Ellis. Cecil O. Reynolds, of Owosso Insurance agency, is the new vice-president; Leslie B. Finch, secretary, and James W. Hahn, Calwallader-Lord-Hahn, treasurer.

### Dunn Sells Agency

S. A. Dunn, Jr., Corpus Christi, Tex., has sold his interest in the Dunn & Gaddes agency to his partner to go with Phoenix of Hartford as special agent at Spokane, Wash.

### Providence Washington Growth Reviewed by Carey

Increases in written premiums, earned premiums and assets were reported by Stephen W. Carey, 3rd. president, at the meeting of stockholders.

Written premiums reached \$28,936,000 and earned \$26,652,000 and assets were up \$2 million over last year to \$50,796,000.

Mr. Carey noted that premiums written were \$10,394,000 in 1942 and \$21,446,000 in 1947.

The number of company operated offices has increased in the past decade from 11 to 46, with assets increasing from \$17½ million. The estimated stockholders equity has increased from \$36.46 in 1942, to \$45.88 in 1947, to \$56.01 at the present.

"We now have the basic plant and organization to accomplish our aim which is to have an aggressive nationwide organization which will be a source of ever-increasing profit to the stockholders," Mr. Carey said.

## MARINE

### Offers New Yacht Policy

Founders of Los Angeles is offering a new yacht insurance policy. It is a "package" policy, containing separate sections insuring hull, P. & I., medical payments, and longshoremen and harbor workers compensation. The declarations clearly show which coverages have been taken, plus a section devoted to special conditions.

### Dobrin Seattle Speaker

Edward G. Dobrin of Bogle, Bogle & Gates, Seattle admiralty attorneys, spoke on the Inchmaree clause in the marine policy at a dinner meeting of Marine Insurance Society of Seattle.

### Owen Torrey President

Owen C. Torrey, Marine Office of America, has been elected president of Board of Underwriters of N. Y., succeeding J. Arthur Bogardus of Atlantic Mutual. First vice-president is Owen E. Barker, Appleton & Cox; second v.p.;

Frank B. Zeller, British & Foreign Marine; executive vice-president, Carl E. McDowell; treasurer, Percy Chubb II.

### Biddison to Brandt & Co.

Robert D. Biddison has resigned as manager of the marine department of Swett & Crawford at Seattle to become marine manager there for W. B. Brandt & Co. He succeeds James E. Moore, who is reported to have joined Coast Underwriters at Vancouver, B.C.

### W. R. Gherardi Chairman

W. R. Gherardi of Vigilant has been elected chairman of the board of managers of Great Lakes Underwriting Syndicate. Vice-chairman is W. R. McBean of Westchester.

## STOCKS

By H. W. Cornelius, Bacon, Whipple & Co.,  
135 So. La Salle St., Chicago  
Jan. 27, 1953

	Div.	Bid	Asked
Aetna Casualty	3.00	109	111
Aetna Fire	2.40	59	61
Aetna Life	2.50	117½	119½
American Alliance	1.50*	33	34½
American Equitable	1.50	28½	30
American Auto	2.00	50½	53
American, (N. J.)	1.00	25½	26½
American Surety	3.00	61½	63½
Boston	1.40	37	39
Camden Fire	1.10*	24½	25½
Continental Casualty	2.50	76½	78½
Crum & Forster Com.	1.60	49½	51½
Fire Association	3.00	72	74
Fireman's Fund	1.60	60	62
Firemen's (N. J.)	.90	27½	28½
General Reinsurance	1.60	38	40
Glens Falls	2.00	62½	65
Globe & Republic	.80	15½	16½
Great American Fire	1.50*	39	40½
Hartford Fire	3.00*	166	169
Hanover Fire	1.80	40	41
Home (N. Y.)	1.80	40	41½
Ins. Co. of N. A.	2.25*	38	41
Maryland Casualty	1.20	25½	26½
Mass. Bonding	—	22½	23½
National Casualty	1.50*	23	Bid
National Fire	2.60	68½	70
National Union	1.80	44½	45½
New Amsterdam Cas.	1.50	41½	43
New Hampshire	2.00	48½	50
North River	1.20	30½	32
Ohio Casualty	1.55	69	Bid
Phoenix, Conn.	3.40*	99	102
Prov. Wash.	1.50*	30	32
St. Paul F. & M.	.85*	32	34
Security, Conn.	1.70*	39	40
Springfield F. & M.	2.00	51½	53
Standard Accident	1.60	41	42½
Travelers	14.00*	755	765
U. S. F. & G.	2.00	66	68
U. S. Fire	1.50*	44	46

\*Includes Extras

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CHICAGO 4, ILL.  
TELEPHONE WAbash 2-3622

1335 Biscayne Blvd.  
MIAMI 32, FLA.  
Phone 82-8228

900 Peachtree Street, N.E.  
ATLANTA, GEORGIA  
Phone Elgin 4481

Reisch Building  
SPRINGFIELD, ILL.  
Phone Springfield 8-4305

1671 Wilshire Boulevard  
LOS ANGELES 17, CALIF.  
Phone Dunkirk 8-3161

1926

our 27th year

1953

## Winter Offers Approach to All-Risk Dwelling Coverage

(CONTINUED FROM PAGE 9)

Second—This form of policy to be standard through the U.S.

Third—Rates to be on an annual basis only and to vary from area to area after weighing the relative hazards. For example, properties in areas peculiarly subject to flood, tornado, earthquake, etc., to be subject to slightly loaded rates statewide or by broader area classification; for instance, New England territory, or southeastern territory, or Pacific territory. The load should be so widely applied as to make a relatively small increase in the overall rate.

Fourth—The commission paid the agent should be adequate and on a stable basis and, if practicable, uniform throughout the United States.

Fifth—The policy should be continuous in form, with premium to be paid at intervals of not more than one year. In order to permit agents to acquire new business, it might be provided that if the insured changed his residence or the businessman his place of business, a new policy must be issued. As about one-half the population of the U. S. has moved in the past ten years, this method should remove the objection of the agent to the continuous policy.

Sixth—The rate of premium tax to be uniform throughout the U.S.

Seventh—The policy should clearly state what it does not cover, that is, war risks, inherent defects in materials or construction, obsolescence, and similar conditions which would gradually depreciate the value of property.

Mr. Winter said the hazards creating a problem with respect to such insurance are the catastrophic ones such as earthquake, fire, tornado and wave wash. He suggested that a new practice would have to be introduced in accounting for the portion of the whole premium which related to these cata-

trophic hazards. As they are periodic in their impact, it could be that several years might pass before one of the calamities would happen. If the premiums charged for these periodic catastrophes were absorbed each year into the general funds of the companies, as is now the practice for the catastrophic hazard in extended coverage, when the hazard occurred there would be no fund of premium out of which to pay losses. If, however, the companies were required to segregate the part of the premium which relates to the catastrophic hazards and put it in a special reserve, untouchable except for the payment of these losses, for a period of ten years, then there would not be the adverse effects that arise from the periodic occurrence of them.

In rating such policies, Mr. Winter recommended that a page be taken from the book of the ocean marine underwriter, who he said unconsciously gives weight to the idea that property can only be totally lost once. Since in the hazards of earthquake, flood and wave wash particularly, the underwriter deals with hazards that are apt to produce a large proportion of total losses, Mr. Winter said the factor of only losing property once should be given weight in making all risks rates. This type of loss is different from the normal losses arising continuously from fire, burglary and general liability. The periodic losses are abnormal and experience on them must be judged from the results of long periods of time, "certainly not less than a ten year period."

To permit the results of catastrophic hazards to be incorporated with the normal recurring annual losses can only lead to questionable conclusions as to the cost of providing such protection, Mr. Winter added.

If it be considered that the fire hazard, burglary hazard and the public

liability hazard are always present, and that the earthquake and flood hazards are occasional, "then it becomes debatable whether the theory of adding rates for various hazards together is sound. It is not suggested that the rates for all risks property policies should be uniform, either statewide or nation-wide, as the possibility of these hazards occurring varies from state to state. However, when the rate for a state or region for these catastrophic hazards is being considered, it should be on the theory that all policies will include these hazards and thus eliminate the possibility of adverse selection. As the property can only be totally lost once, the real problem then would be to determine an inclusive rate which would produce sufficient aggregate premium with respect to total loss, regardless of its cause (all risks) to pay for such loss. To this would be added the necessary loads for partial loss, acquisition cost, overhead, taxes, profits, etc."

Mr. Winter said that the insurance business has not kept pace with industry in general in research activities. The information currently being developed is almost exclusively information with respect to things that are insured and not the "kinds" of policies which the insurance business is willing and permitted to offer to the public. "No real effort has been made to go behind the statistics to find what the actual values are in the United States that are exposed to all sorts of hazards and what the losses are to all property, whether insured or not, that occur through the happening of these hazards."

He presented some figures obtained from outside sources that might test his program. He noted the 1950 census states there are 45 million homes in the U. S., and these can be divided into groups of values. For example, about 10 million homes and their contents are valued at \$2,000, or a total of \$20 billion, etc. The overall result is a valuation of \$250 billion on the 45 million dwellings. The average dwelling fire rate in the U. S. is approximately 16 cents per \$100 and the average E. C. rate is about 10 cents per \$100.

Assuming that of the E. C. rate of 10 cents, 2½ cents represents the catastrophe hazard, largely windstorm, he added an additional charge to include earthquake of another 2½ cents; for flood another 2½ cents; for wash wave 1½ cents, and for other catastrophes one cent. This would produce over and above the present rate for fire and E. C., an additional rate of 7½ cents. With the 2½ cents taken from the E. C. rates, there is an overall assumption of a 10 cent load in an all risks rate for the catastrophe hazards.

Mr. Winter then further assumed that the companies were compelled to carry the premium developed by the catastrophe load of 10 cents in a special reserve fund. Applying the 10 cent rate to the overall figures of \$250 billion, there would be produced an annual premium of \$250 million. If this fund were segregated as a trust fund for 10 years, the accumulation would be \$2½ billion.

To show that this amount would have been more than adequate to handle catastrophes, Mr. Winter noted that Business Week magazine a while ago had figures showing that, as far as the records indicate, flood losses in the U. S. during the past 50 years amounted to \$5 billion, with \$1 billion

## N.B.&M. Adds Holland to Ky. Field; Revamps Setup

Kentucky field supervision for North British & Mercantile has been rearranged to give more intensive service.

State Agent Ben F. Russell will now give exclusive attention to the eastern portion of the state with headquarters as in the past in the Security Trust building at Lexington.

S. E. Holland, Jr., has been appointed state agent in western Kentucky and will make his headquarters at 816 State street, Bowling Green.

Mr. Holland graduated at University of Louisville and was first in the local agency business, and more recently has been in the Kentucky field for America Fore.

of that divided between 1951 and 1952. These figures covered all forms of property, and Mr. Winter said it would be reasonable to assume that not more than one-third of the losses involved homes. If that assumption is made, in the floods of 1951 and 1952 total loss on dwellings amounted to about \$666 million. To provide insurance for this loss on his plan, there would have been developed over a 10-year period a catastrophe fund of \$2½ billion, fully sufficient to have absorbed these losses and still leave a large pool to care for other catastrophes such as earthquake, wave wash, windstorm, etc.

This approach to dwelling insurance would present savings to the companies, he added. Today separate statistics are kept for each kind of insurance written. Premiums received and losses paid are segregated into various kinds of insurance to help produce a fair rate for each type. In his proposed policy, the rate would be divided into only two parts—all risks property cover and liability cover. From the property rate would be segregated the load suggested as 10 cents for the catastrophe hazard. On the loss side, careful accounting would be made to determine what kinds of hazards used up the insurance dollar.

Rates could be increased or decreased on an overall basis. This would be a simple manner of gathering statistics. It is the plan used by marine underwriters, and is "one of the reasons why marine insurance overhead costs are the lowest in the insurance business."

"It is so easy just to dismiss a theoretical plan like this," Mr. Winter concluded, "as is so often done, by pointing out the innumerable difficulties that there would be in accomplishing the desired results. It would require months and years of educational work to get the insurance departments, the rating bureaus, the insurance companies, the underwriters, and the agents and brokers to accept a new view of their relation to the insuring public. In accepting this new relationship, they would have to make up their minds that notwithstanding the many obstacles in the way of accomplishing the desired result, they would give the time and use the talent necessary to change the insurance climate in the United States so that this forgotten man, who is not able to think through his own insurance problems, might be benefitted. Surely this is an objective that should offer a challenge to the forward-looking insurance men of the United States."

### BELIEF

in the equity of the American way of life is epitomized in the insurance industry by the American Agency System. When agent and company combine their best efforts for the benefit of the assured, democracy is at work.



SCOTT'S UNION  
AND  
NATIONAL INSURANCE COMPANY  
AMERICAN UNION INSURANCE COMPANY  
OF NEW YORK  
HARTFORD, CONNECTICUT



## COMPANIES

### Bill in Conn. Would Let Aetna Fire Hike Capital \$10 Million

HARTFORD—A bill seeking permission to increase the authorized capital of Aetna Fire from the present \$20 million to \$30 million has been submitted to the Connecticut legislature. It was sent to the insurance committee for study and recommendation.

Aetna Fire now has 1 million shares of \$10 par outstanding. The last capital change was in 1947 when outstanding shares were increased from 750,000 to the present 1 million.

An Aetna spokesman said the bill "consolidates" the company's much-amended charter, which dates back to 1819. He said that in seeking to increase its authorized capital by \$10 million the company is "merely making shoulder room for the future." He said there are no immediate plans to increase the capital.

### Security 1952 Record Is Profitable, Berry Shows

The Security of New Haven group had a net underwriting profit on fire and allied lines last year of \$1,025,146 and a net underwriting loss on the casualty lines of \$805,427, President Peter J. Berry states in a preliminary report to stockholders. The net fire and allied lines premiums written were \$17,086,223, losses incurred \$7,594,065, loss expenses incurred \$692,576, expenses and taxes \$7,343,496, increase in premium reserve \$430,940.

Fire premiums would have been much larger than in 1951 except in many states premiums are now received on the installment basis as compared to a full three and five-year term premium in advance. Also Security substantially reduced its foreign business. This has been very profitable, Mr. Berry said, but the management felt that the commitment in this direction was becoming too large.

There were signs of improvement noted in the casualty lines. The net premiums written were \$6,209,303, losses incurred \$3,154,884, loss expenses \$863,403, expenses and taxes \$2,573,479 and increase in premium reserve \$422,964. In 1951, there was an underwriting loss on fire and allied lines of \$34,868 and on casualty \$847,243.

### Arnos Heads Toledo Insurer

Edward H. Arnos is the principal figure in the newly organized Great Lakes Fire & Marine with head office at 312 Summit street, Toledo. This starts with \$100,000 capital and \$51,000 net surplus.

### Home Changes at Boston

C. Stewart Cole, who has just been made manager of Home's Boston office, is a graduate of Armour Institute. He started with Home at Chicago in 1924, was made special agent in 1926 and transferred to Boston in 1929 as a special agent in the service department. In 1949 he became associate manager at Boston.

Home has transferred Alfred A. Wolff from Newark to Boston as assistant manager. Mr. Wolff served at the head office for several years.

George H. Mysall, special agent at

Boston, has been appointed state agent there with supervision over southeastern Massachusetts. Mr. Mysall joined Home at its head office in 1924 and has been at Boston since 1935.

B. M. Van Note, formerly state agent in Maine, has been transferred to Boston to supervise special field work. Before his transfer to Maine in 1933, he had served at New Haven.

The Boston office continues under the general supervision of L. G. Fitzherbert, local secretary.

### Economy to Sell Stock

Economy Ins. Co., Los Angeles, has applied to the California department for a permit to sell 100,000 shares of its \$10 par value at \$20 per share, to net the company \$2 million capital and surplus. President is Ben Weingart; vice-president, Bernard Berk; secretary-treasurer, Harold Larson. It plans to write fire and casualty lines.

### Henry Matthes Goes on Own

Henry Matthes, who has been a sales engineer and outside man for Firemen's Mutual of the factory mutual system at Cleveland, has now established his own independent insurance organization in the Chester-Twelfth building at Cleveland. He aims to develop a corps of men. He and his father Max Matthes, Sr., and his brother Max Matthes, Jr. have all been serving as sales engineers for Firemen's Mutual.

Branch & Co., investment banking firm, has contracted to buy the building of Virginia F. & M. at Richmond for \$28,600.

### Nathan H. Wentworth Goes to Am. Fore as Secretary

Nathan H. Wentworth has joined America Fore as secretary of the constituent companies. He graduated with Phi Beta Kappa honors at Dartmouth in 1932 and went with American Foreign Insurance Assn. the next year, and in 1934 was assigned to Paris. He became manager there in 1939 and returned to New York in 1941. Later that year he became Boston manager of Home. He served in the last war, emerging as lieutenant colonel, and was awarded six U. S. battle stars and the French Croix de Guerre. After the war he returned to A.F.I.A.

### Gulf Capital Figures Set Right

Following the sale of additional stock the capital of Gulf will be \$1,800,000 instead of \$1,750,000 as in the past. In the Jan. 15 edition the figures that were given in this connection were incorrect.

### Christian to Stewart, Smith

Anthony N. Christian has been appointed manager of the excess and surplus line department for Stewart, Smith & Co., Inc., New York. Mr. Christian was with Appleton & Cox at Chicago for 2½ years and with Newhouse & Sayre at New York for nine years. He has traveled extensively over the country. His new appointment follows an enlarged operation of Stewart Smith, Inc., in promoting sale of excess and surplus lines.

### Ohio Meetings Feb. 9-10

Kenneth J. Bidwell, assistant United States manager of London Assurance, will address Ohio Fire Underwriters Assn. Feb. 10 at Columbus. The Ohio Stock Fire Insurance Speakers Club will meet at Columbus Feb. 9. Speakers will be Allen Guy, Western Adjustment; Charles Eichhorn, local agent, on "Agents' Duties and Responsibilities;" Forrest Aspinwall, Western Adjustment, "Adjusters' Problems;" Frank Middaugh, Ohio Inspection Bureau, "Rating," and Fred I. Sipp, Hartford, "Field Men's Duties and Responsibilities."

### Settle Cleaners Risks in Mich.

W. O. Hildebrand, manager of Michigan Assn. of Insurance Agents, has sent a bulletin to the membership announcing that the Michigan department will no longer approve the special dry cleaners policies that were being offered by a Canadian broker of London Lloyds. The department will no longer approve Lloyds' risks unless they qualify as "excess."

The Michigan agents, since December of 1951, have been objecting to the solicitation by Lloyds of bailee risks.

### New General Agents Assn.

J. Leonard Brown of Denver, president of American Assn. of Managing General Agents, visited Phoenix, Ariz., and assisted in the formation of a regional group to be known as Arizona Assn. of Managing General Agents, with these officers: President, B. L. Udell; vice-president, Chet Long; secretary, Ray H. Rohwer.

**THE INSURANCE AGENT IS A GO-TO MAN TO KNOW!**

**Ohio Farmers Companies**

OHIO FARMERS INSURANCE COMPANY • Chartered 1848

OHIO FARMERS INDEMNITY COMPANY

**Le Roy, Ohio**

EASTERN DEPARTMENT, Philadelphia • • • PACIFIC COAST DEPARTMENT, Los Angeles

## FIELD

### American Advances Shulz and Milligan in West

Robert W. Milligan has been promoted to chief underwriter of the fire underwriting division of American in its western department, and will relinquish all supervision of the brokerage department. Robert Shulz becomes superintendent of that department. He joined the company about two years ago and has had much experience in that type of operation.

### Hold Roundup at Wichita

Oklahoma and Kansas field men of the Hartford group held a one-day roundup at Wichita last week.

### Cincinnati Get-Togethers

CINCINNATI—Because of the great interest which has developed for a weekly luncheon meeting, the Miami Valley puddle of Ohio Blue Goose has arranged for a table Fridays at noon at Hotel Sinton coffee shop. Visiting ganders and their friends are cordially invited to attend. The Miami Valley puddle includes Cincinnati, Dayton, Middletown and Hamilton. F. S. Bard, North America, Cincinnati, is big toad.

### THE OLDEST INSURANCE COMPANY IN THE WORLD



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### Service Guide

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A System to Finance  
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### UNDERWRITING REPORTS

**INSURANCE REPORTS, INC.**  
UNDERWRITING AND CLAIM REPORTS

Forty Offices Covering Texas

Home Office

P.O. Box 2666

Dallas, Texas

### Bradshaw to Eastern Mo.

American has appointed J. L. Bradshaw special agent in eastern Missouri, associated with State Agent John Margold at St. Louis.

Mr. Bradshaw started in insurance in 1946 and has had experience in both underwriting and production of fire, inland marine and casualty lines. He is a navy veteran.

### Ex-Fieldmen's Group in N. J.

New Jersey Ex-Fieldmen's Assn. has been projected, with a temporary executive committee composed of Harry W. Kohler, agency superintendent of America Fore, chairman; Samuel A. Mehorter, head of McDaniel & Co. agency, New York, and R. C. Hamilton, assistant manager of the metropolitan department of Royal-Liverpool.

There is a New York Ex-Fieldmen's Society that has existed for about 30 years and that holds an annual dinner.

### Cox Joins London in Wash.

Joseph L. Cox has been appointed state agent for London Assurance with headquarters at Spokane. He formerly was with the Edward Brown General Agency.

### Inland Empire Assn. Elects

Inland Empire Fire Underwriters Assn. at its annual meeting at Spokane, Wash., elected William J. Riley, St. Paul, as president, succeeding Jack H. Sumner, Cravens, Dargan & Co.

Vice-president is R. C. Largent, Frazier & Co.; secretary, Gardner Rowley, Great American; treasurer, Garth Dill, Fireman's Fund.

Notables at the banquet included Deputy Commissioner Robert Hall, Thor Fladwed, National Board, Clyde Allen, manager of Washington Surveying & Rating Bureau at Spokane, and his predecessor, Charles Brandt.

### Zoller Buffalo President

Buffalo Insurance Field Club has elected Robert W. Zoller, Great American, president; Robert Donald, Donald & Stone, adjusters, vice-president; Henry Stiehler, Royal-Liverpool, secretary, and T. M. Hinkley, Jr., adjuster, treasurer.

### Inspect Utica, Mich.

Michigan Fire Prevention Assn. inspected Utica last week with 21 field men participating. Talks were given to 2,771 school children.

John Sharp, Commercial Union, was toastmaster at the banquet at which the principal talk was given by John Rich, Hanover. Pierce M. Enes, Automobile, was chairman of the inspection.

### Plan Bloomington, Ind., Inspection

Indiana Fire Prevention Assn. on Feb. 17 will inspect Bloomington. Richard E. Vernor, manager of the fire prevention department of Western Actuarial Bureau, will speak at the luncheon.

Kansas Fire Prevention Assn. will hold its first inspection of the year at Belleville Feb. 25.

### Heston & Co. Are Named

Wesley H. Heston & Co. of Atlanta have been appointed exclusive general agents for Georgia for Manufacturers & Merchants Indemnity.

### National's Coast Roundup

National Fire had a three-day field men's conference at San Francisco. There were 31 field men on hand. Vice-president E. R. Hindley was in general charge, and present from the home office were T. A. Long, vice-president of United National Indemnity, and C. E. Holloway, marine manager. John Henry Martin, manager of Standard Forms Bureau, gave a talk on the new California dwelling form 185, and Frank W. Bland of the NATIONAL UNDERWRITER, gave a talk on "Use of Agency Hand-Books."

### Ill. Field Rallies Feb. 19

The midyear meeting of Illinois Fire Underwriters Assn. will be held Feb. 19 at Springfield. Following the business meeting, a full session will be devoted to public relations, with the speaker being G. M. Lynch, Jr., manager of education and research of Western Adjustment.

That evening Illinois Blue Goose will hold its midyear and initiation meeting. The speaker will be announced later.

### Shift Navin in Mich.

Great American has revised its Michigan field and has assigned William J. Navin, special agent, to headquarters at Traverse City from which he will service additional territory in lower Michigan. He will give up the Upper Peninsula field.

Mr. Navin joined the company in 1946 after graduating from Michigan State College. He was in the underwriting department at Detroit before going into the Michigan field.

### New W. Va. Officers

West Virginia Field Club has elected E. W. Chester, Crum & Forster, as president to succeed R. W. Mercer, Home. E. T. Belanger, Scottish Union, is vice-president.

### O'Neal to Groninger & Co.

Robert F. O'Neal, state agent at Seattle for Providence Washington since last July, has resigned to join Groninger & Co., Seattle general agency.

He majored in engineering at Oregon State College, and after five years with the navy he joined Oregon Insurance Rating Bureau in 1947, leaving in 1949 to become special agent in Oregon for Fidelity & Guaranty. The next year he joined Providence Washington and served two years as an engineer in Oregon and Washington before his appointment as state agent.

### Hall Gets Buffalo in Wis.

Chrales P. Hall, general agent with offices at Wauwatosa, has been given field supervision in Wisconsin for Buffalo. He has acted in a general agency and supervisory capacity for a number of companies in Wisconsin for several years.

Wayne Rogers, Commercial Union special agent, San Antonio, representing Alamo Field Club, spoke to the Rotary Club of Brackettville, Texas, on fire prevention.

The program for the St. Louis Blue Goose dinner dance Jan. 31 is to include special entertainment with Oscar Schowalter of New York Underwriters as master of ceremonies.

Commissioner Allyn of Connecticut will address the Feb. 9 meeting of Connecticut Field Club at Hartford.

### Reins Club Elects Ellen.

### Marschner, Yeats, Beers

Reins Club, New York organization of facultative reinsurance placers, has elected John H. Ellen of Yorkshire president; Charles Marschner, Home, vice-president; William Yeats, Great American, treasurer, and Leroy W. Beers of North British & Mercantile secretary. Elected to the board were James J. Ratchford of Royal-Liverpool; Bernard S. Blewett, America Fore, and John T. Ross, Excess Underwriters, the retiring president.

Officers and the board outlined a social and educational program for the coming year. The organization has been revitalized in recent years and is growing.

### Mich. Committees Named

LANSING—Committee assignments in the Michigan legislature have been made although no insurance bills so far have appeared.

Leo H. Roy, Hancock agent, again was named chairman of the senate insurance committee. James Teahen, Owosso, heads the labor committee to which workmen's compensation bills are assigned, and George N. Higgins, Ferndale, again heads the taxation committee.

In the lower house Andrew Bolt, Grand Rapids is again insurance committee chairman. Harry Hermann, Laurium, heads the labor committee, and Louis E. Anderson, Northport, the taxation committee.

### New Wis. Municipal Plan

At New Richmond, Wis., acting on a resolution passed by the city council, Mayor Van Meter has appointed three qualified agents as a committee with power to insure the city's properties and its liability in amounts the committee deems adequate, subject to approval of the council. Equitable distribution of the business will be made among qualified agents who have resided in New Richmond for at least three years.

### N. C. Chairmen Named

Senator Hugh Horton of Martin, a lawyer and veteran legislator who headed the North Carolina senate insurance committee in 1947, is again the chairman. Edwin Pou of Wake, head of an agency at Raleigh, is chairman of the house insurance committee.

### Ohio Board Entertains Buyers

About 65 business executives were guests of Darke County (O.) Assn. of Insurance Agents at a dinner meeting at Greenville. Attendance was about 100. A. M. O'Connell, Cincinnati, past president Ohio Assn. of Insurance Agents and now legislative chairman, discussed the effect of current conditions on the insurance business and the insurance requirements of the public. T. M. Gray, Columbus, secretary Ohio association, was introduced. B. W. Phalen, Versailles, president of the Darke county board, was in charge.

### Opens Indianapolis Office

Atwell, Vogel & Sterling, auditing and engineering service, has opened a new office in Indianapolis at 1916 Meridian street. J. G. Hitt, manager of the new office, has been field supervisor for Atwell, Vogel & Sterling at Norfolk, Va. for seven years.



## Lippincott New Detroit Head

Western Adjustment has appointed Hall Lippincott manager at Detroit. He replaces Frank Thorn, who died recently.

Mr. Lippincott, who is the son of former Assistant General Manager R. R. Lippincott of Western Adjustment, joined the organization in 1938 at the head office. He served as a staff adjuster at the Chicago north side branch, and was transferred to Detroit in 1939. He was appointed general adjuster at Detroit in 1950 and assistant manager there last November. Mr. Lippincott is a graduate of Ohio State.

## South Bend-Mishawaka Slate

New officers of South Bend-Mishawaka (Ind.) Assn. of Insurance Agents are: James F. Woodcock president; Edison Jacques, vice-president, and Royce C. Frederick, secretary.

"All business risks should keep an accurate inventory at all times to substantiate any loss that might occur," Rolf Zimmerman of American Appraisal Co. told the association. He discussed the value of appraisals for mercantile and manufacturing risks.

## Blanket Clubs Meet

L. R. Cheney, Seattle manager of Retail Credit, spoke at a meeting of Seattle Blanket Club. The joint dinner meeting with Tacoma Blanket Club has been tentatively set for Feb. 5.

## Donovan Eastern Director

Hugh W. Donovan, Hartford manager of American-Associated, has been appointed a director of the eastern district of Society of C.P.C.U.

He became a C.P.C.U. in 1946 and is a charter member of three regional chapters, Ohio-Michigan, Northern California and Connecticut. He was the first president of Ohio-Michigan and is a past president of Connecticut.

## G.A.B. Mountain Changes

General Adjustment Bureau has appointed George H. Crose manager of the branch at Denver. Richard H. Work has been appointed casualty supervisor for the Rocky Mountain department. He replaces Peter Watson, who has resigned to practice law.

G. A. B. has opened new branch offices, at Farmington, N. M., and Gallup, N. M.

## So. Cal. Brokers Elect

LOS ANGELES—New officers elected by Insurance Brokers' Society of Southern California are: President, John S. Wiester, Johnson & Higgins; vice-president, Roy M. Dougherty, Barham & Mitchell; secretary, Chester J. Turner, Emett & Chandler.

## Buyers Hear Anderson

W. C. Anderson, manager of Missouri Inspection Bureau, St. Louis, spoke on "New Fire Insurance Changes" before the St. Louis Insured Members Conference.

He took up business interruption blanket coverage, coinsurance requirements, the pro rata distribution clause, and improvements and betterments.

## Wolmelsdorf Advanced

Haydon Wolmelsdorf has been appointed assistant manager of the St.

Paul office of Charles W. Sexton Co. He has been in insurance at St. Paul 14 years and with the Sexton agency a year.

## MacDonald Advances Hale

John H. Hale has been appointed treasurer of D. K. MacDonald & Co. of Seattle to succeed William B. Morse. He joined the firm as safety engineer in 1947 and has served as controller for three years.

Mr. Morse, with MacDonald & Co. for 35 years, takes an administrative advisory post. He is an expert on industrial and cannery risks, and has been in insurance since 1910.

## Wisconsin Chairmen Named

Don R. Morrissey, Appleton, president of Wisconsin Assn. of Insurance Agents, has announced committee appointments, with the following chairmen: Finance, A. R. Moss, Beloit; membership, C. H. Hueseman, Appleton; legislation, John S. Rowland, Racine; publicity-education, Gustav E. Schwarm, Milwaukee; accident prevention, Ken G. Kilberg, Racine, and fire prevention, Charles Bouril, Manitowoc.

## Portland Buyers Organize

The third Pacific Coast chapter of National Insurance Buyers Assn. has been organized at Portland, Ore. E. J. Glenn, assistant secretary of Guy F. Atkinson Co., is president; W. H. Patterson, Dant & Russell, vice-president, and William J. Wood, Roberts Bros., secretary.

## Form Defiance Local Board

A coextensive local board has been formed at Defiance, O., with these officers: President, Raymond G. Wahn; vice-president, Theodore V. Kohout; secretary, Ralph E. Stauffer.

## Aetna Names Two on Coast

Edward Blanchfield, just returned from the air force service after being recalled to participate in the reconnaissance flights over the North Pole, has been appointed special agent of Phoenix of Hartford at Los Angeles. He started at the home office in the inland marine department and later was special agent at St. Louis. His transfer to the coast was at his request.

S. Alton Dunn is appointed special agent at Spokane, Wash. Following navy service he has had experience in both the agency and company fields. Recently he has been a local agent at Corpus Christi, Tex.

## To Be Credit Insurer

Old Security Life, which recently was formed at Kansas City, has close ties with Interstate Securities Co. of that city. Officers of the insurer, which plans to write credit life and A. & H. on installment borrowers, hold similar titles with Interstate Securities.

They are J. F. Hudson, president; A. J. Blasco, vice-president and secretary; George D. Gee, treasurer and controller, and A. R. Hoedl, assistant secretary.

The company is beginning with capital of \$100,000 and surplus of \$25,000.

The title of the L. W. Rhodes agency of Chattanooga has been changed to Ted Nelson Insurance Agency. This has been owned since 1951 by Ted Nelson and Ted Nelson, Jr.



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## Renewal Plan Goes Out But Installment Plan Stays

The annual extension or renewal plan as distinguished from the five-year installment plan, is being withdrawn by New England Fire Insurance Rating Assn. in Maine, Vermont, Massachusetts, Rhode Island and Connecticut. The installment plan remains.

The extension plan was wanted by some companies because they feared that five-year premium reserves might be required under the installment plan. The rules which will be established remove that possibility.

The Rhode Island department last spring held that the renewal option must be attached to all one year policies on classes eligible for term. Whereupon the rating association made the

annual option endorsement mandatory in all five states.

## Hold 27 Cal. Regionals

California Assn. of Insurance Agents has scheduled 27 spring regional meetings the week of Feb. 2. In addition to reviewing the activities of the association, the legislative program will be discussed. It will oppose bills for compulsory automobile insurance and will urge wider acceptance of the newly adopted dwelling broad form.

Northern California meetings will be conducted by President Robert D. Dawson, at Marysville and Auburn, Feb. 2, Sacramento and Chico Feb. 3, Petaluma, Feb. 4, Oakland and Niles Feb. 5, Richmond and Redwood City Feb. 6.

Central California meetings will be conducted by Vice-president George

O. Johnson at Bakersfield and Visalia Feb. 2, Fresno and Merced Feb. 3, Modesto Feb. 4, San Jose and Watsonville Feb. 5, Monterey Feb. 6.

Secretary Paul Wolcott, Jr., will lead the southern California meetings starting at Long Beach and Santa Ana Feb. 2, Los Angeles and Santa Monica Feb. 3, Pasadena and El Centro Feb. 4, San Diego and Redlands Feb. 5, North Hollywood and Santa Barbara Feb. 6.

## New Inland Marine Setup

Atlantic Mutual has opened new quarters for its inland marine underwriting department on the street level at 49 Wall street, New York. All I. M. underwriting activities are consolidated here under the direction of Inland Secretary James W. Kennedy.

## Bush Heads Senate Unit on War Damage Legislation

WASHINGTON—Bush of Connecticut has been named chairman of the Senate banking committee's subcommittee on insurance, securities and banking. Other subcommittees are Bricker, Ohio; Ives, New York; Beall, Maryland; Maybank, South Carolina; Robertson, Virginia, and Frear, Delaware. The last named headed this subcommittee last Congress, which spent considerable time on war damage legislative problems but produced nothing definitive.

To the new subcommittee will be referred Senator Ferguson's bill to grant succession to the War Damage Corp., if it is decided to do anything about that matter this Congress.

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## Suggests Agents Can Help with Problem of Small PDL Claim

The small automobile property damage claim provides the casualty companies with one of their most serious operational problems today, R. G. Miller, division claims manager at Buffalo for National Grange Mutual Liability, told a regional meeting of Mutual Agents Assn. of New York State. With the number of motor vehicles on the highways increasing, the problem will continue to grow, he said.

As one means to ease the problem, Mr. Miller suggested use of selected agents in handling PDL claims of \$100 and less. He also urged strict motor vehicle inspection laws and their enforcement. If certain garages of the highest reputation were qualified by authorities to serve as inspection stations for motor vehicles, if they were bonded, and if they were required to file an affidavit that the car had been thoroughly inspected and was qualified mechanically to be on the road, the problem could be materially alleviated. Motor vehicles found not to be mechanically sound might be impounded till repairs are made. PDL losses would be reduced.

Mr. Miller doesn't regard the suggestion of a deductible on PDL, up to \$100 or so, as a practicable plan. There would be too much tendency toward collusion and too great a job of investigation.

The number of PDL claims between \$10 and \$100 is terrific, he said. To make personal contacts and investigate and adjust each small PDL claim is an operation of such staggering magnitude Mr. Miller doubts if any company can field the necessary manpower to accomplish it. It would not be practical.

Consequently, several methods have been used to process the small PDL claim. Most of them are handled by mail, and though in many cases this produces satisfactory results, the method leaves many difficulties unresolved.

Here, Mr. Miller believes, is where the local agent can help out. He knows the locality and the people with whom he deals. Today he is a professional man, with qualifications that give him the privilege to counsel with insured about an accident as well as talk with them about their insurance needs. On small, non-serious claims, the agent who receives a report of an accident from a policyholder could make it a point to determine exactly what happened and who was to blame. On this basis, he could dispose of small PDL claims in accord with the facts as he finds them. He can hasten the adjustment and completion of such claims by his closeness to the situation and the facts and by prompt action. He can get a legitimate repair estimate.

Such a procedure would eliminate, in most cases, the tendency of potential claimants even to consider padding a repair bill. Many agents representing a number of companies have been given the privilege of issuing settlement drafts on such claims when they find there is liability on the part of the policyholder. This speeds disposition of claims. If the agent is sincere, it goes a long way to lighten the burden on claim departments.

Not every agent should be given the privilege. Only those long established, with a volume of business that reflects

integrity and sincerity, would be qualified.

The business needs a public relations program to educate the general public on what casualty insurance is and does, Mr. Miller believes. Agents can carry much of the load of telling the people in their communities what is facing insurers as a result of the tremendous traffic problem and the huge volume of claims. They can emphasize the necessity of operating only sound motor vehicles, the necessity of proper traffic control laws rigidly enforced. Agents can inform policyholders of the need of having tires and motor vehicles inspected, the necessity of safe, sound traveling.

Companies have a real public relations problem on their hands. They could bring to the attention of the public by means of radio, newspapers, etc., the responsibility that rests on every driver and owner of a motor vehicle. This idea of responsibility should be before the public continuously. Such a program by agents and companies would tend to reduce the tremendous volume of small PDL claims and hold claims of all sizes to a minimum.

The guest passenger law in effect in New York state, he noted, permits a passenger in an automobile and sustains injury while a guest in the automobile to bring an action for injuries sustained, regardless of how serious the injury may be, against the owner and operator of the motor vehicle. It is only necessary for the passenger to show one degree of negligence to be granted a recovery. As a result there is no question but what insurers operating in New York are confronted with a potential payment to a passenger on just about every incident that occurs involving an injury to a guest passenger. Since one degree of negligence can be proved pretty easily companies often compromise rather than go to trial and risk a substantial verdict.

Guest passenger laws in some states make it necessary for a guest passenger to prove willful, wanton and gross negligence before recovery, which tends to make the insurance rates substantially less than those that prevail in New York.

## Bankers L. & C. Opens Regional Unit in S. E.

Bankers Life & Casualty has set up a regional sales division for Florida and North and South Carolina with headquarters at Raleigh, N. C. Webster H. Hurley, Florida manager, now becomes regional sales manager. Offices will be opened in North Carolina at Charlotte, Winston-Salem, Asheville, Washington and Wilmington. The company has just been licensed in North Carolina.

The Florida territory will now be operated under four district offices, with District Managers John B. Lanning at Miami, Clarence S. Scott at Tampa, H. G. Peddicord at Jacksonville, and E. G. Johnson at Pensacola. Calvin LeNeve will continue as manager for South Carolina with offices at Columbia, Greenville and Charleston.

## CIO N.Y. "Comp" Program

The New York CIO Council has announced it will sponsor legislation for higher workmen's compensation benefits, more coverage and more rehabilitation. It will also advocate taking the disability benefits division from the compensation board and putting it under unemployment insurance, from which funds CIO wants it financed.

## Balboa in New Building

Balboa of Los Angeles has moved into its new home office building at 1010 West Jefferson boulevard, adjacent to the University of Southern

California campus. The new building has 11,000 square feet of floor space and adjoining it are 22,000 square feet available for parking purposes or future expansion. Balboa is owned by Seaboard Finance Co.

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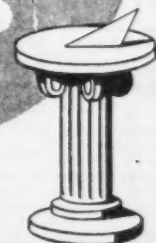
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## EDITORIAL COMMENT

### On Recouping 1950-52 Automobile Losses

A problem of some size which faces companies operating within the framework of the American agency system is how to recoup automobile liability losses sustained in the 2½ years following the outbreak of the Korean war. Premiums have climbed so high that public and supervisory pressure is going to insist upon immediate reductions where indicated. There is not going to be much if any time after rates catch up with experience, in which companies can earn something extra to offset losses sustained in 1950, 1951 and 1952.

Even if supervisory authorities and the public would stand for such offsetting, competition from those insurers that operate in a different manner, which make up in the aggregate a very large, aggressively competitive automobile insurance market, would certainly tend to force prompt rate reductions wherever at all possible.

The problem is one with which supervisory authorities are not unsympathetic. They are aware of the fact that it had not been for these agency insurers, with the vast amount of insurance they provide country-wide the market problem would have become so much more acute in so many more localities than it did that several and perhaps more states would either already have or would be certain to get compulsory or state funds, or both, or forms of legislation resembling them and having the same unfortunate effects.

The other face of the problem is how such companies are going to compete with insurers that operate differently, even assuming that they are willing and able to pocket their 1950-52 losses and forget about them, as it appears they are going to have to do.

To say that all agency insurers need to do is cut the commission by a few percentage points is, in the opinion of many honest and competent men in the automobile liability insurance field, to oversimplify the problem and even not to meet it at all. There are those who believe that the advantage of the irregulars, to use that word without implication of moral judgment, lies not in any edge in acquisition cost, which is largely illusory, but in their control of underwriting.

The regulars cannot control their underwriting, the observers say on this point, firmly enough to make a sound underwriting policy work. They can-

not keep even with the irregulars on underwriting and therefore their loss ratios are higher; they certainly cannot make up past losses by underwriting more successfully.

An honest, successful agent commented the other day that he would be willing to take five points less commission percentage any day in the week that his companies would take all the business he could produce. His staff would be willing to go along with him on this. But the irregulars are underwriting very closely; they are maintaining their balanced book of business, with so many dollars of premiums in the various classes according to a well laid out ledger of business. They do not have to take auto business they don't want in order to get other business, fire, burglary, bonds, with it. Agency company groups contend that they swallow a lot of garbage risks for such agency purposes.

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distinguished service award of the Missouri Junior Chamber of Commerce at a dinner at St. Louis. Mr. Jones was cited for his participation in many Kansas City civic projects, including the Democracy Beats Communism week, a fund-raising drive for the Salvation Army nursery, the United Funds Campaign and the reorganization of Kansas City Philharmonic Orchestra Assn.

**Charles S. Kremer**, president of Hartford Fire, and **Charles H. Smith**, vice-president and western manager, have been together on a visit to Atlanta.



**Election of James H. Pingree** as president of Insurance Assn. of Los Angeles was reported in last week's issue. Commissioner Maloney acted as installing officer at the annual meeting of the association.

**J. E. Larson**, Florida state treasurer and insurance commissioner, underwent an emergency operation at Duke hospital at Durham, N. C., and is reported to be making a satisfactory recovery.

**Robert W. Watt**, president of Seaboard Surety, has mailed out to a selected list some of the official programs of the inaugural ceremonies at Washington.

**Roy A. MacDonald**, assistant director of H. & A. Underwriters Conference, and Mrs. MacDonald are the parents of a new baby girl, Bonnie Lee, born Jan. 22.

**Charles B. Sullivan** of Wilton, a partner in the H. D. Cheever agency, has been elected chairman of the New Hampshire Republican state committee.

**Carl Bryan**, who is a local agent there, has been elected mayor of Pueblo, Col.

**Ray Sweeney**, U. S. manager of Caledonian, is on a western trip, taking him as far out as Denver.

**Vincent Gallagher**, assistant U. S. manager of Pearl, has been on a midwestern trip visiting, among other places, Chicago, Indianapolis and Cincinnati.

**Orville E. Hodge**, who is the new Illinois state auditor, is a prominent real estate and insurance agent of Granite City, and he is chairman of the

advisory board of Paramount Fire. He has completed three terms in the lower house of the Illinois legislature.

**S. B. McAllister**, vice-president of the Daily General Agency, Denver, has been quite ill in General Rose Hospital there.

## DEATHS

**J. V. FOTHERGILL**, assistant secretary of London & Lancashire group and vice-president of London & Lancashire Indemnity, died at Hartford.

He joined the L. & L. organization in 1893, and on Feb. 6 would have completed 60 years of service.

His original training was in the fire department and after field experience he became agency superintendent, later supervising the organization's automobile business. He was particularly well-known in that field and, although handicapped by blindness since 1906, performed notable service for all of his companies, as well as National Automobile Underwriters Assn.

**THOMAS M. GARRISON**, 67, attorney, who retired as Chicago manager of American Credit Indemnity in 1950, died in his suburban Oak Park home. He opened the Chicago office for American in 1922 and remained as its manager until he went with National Surety in an executive capacity a few years later. He returned to American as manager in 1938, holding that post until he retired.

**HERBERT W. KNIGHT**, who retired in 1931 as vice-president of Glens Falls, died at his home at Glens Falls at the age of 87. He had been with the company 46 years when he retired.

**GEORGE FEINDT**, retired Illinois state agent for North America, died at his home at Chicago. His age was 76. He had been with North America many years and before that had seen service with Great American, Marsh & McLennan and Insurance Survey Bureau.

**FRANK RUSSELL MULLANEY**, financial vice-president and secretary of American Mutual Liability, died suddenly at his home at Newton, Mass. He was 64. After graduating from Pace Institute of Accountancy he went with Fidelity & Casualty. He went with American Mutual in 1917 as an actuary. In 1927 he was elected secretary and 1936 vice-president. From 1924 until 1950 he was in charge of

underwriting and statistical functions. Since then he had been financial vice-president and secretary.

He was a charter member of Casualty Actuarial Society.

**A. R. GIBSON**, 52, vice-president of Buckeye Union Fire, died at Columbus, O. He joined Buckeye Union Fire when it was organized in 1938, having been state agent for Hanover in Ohio prior to that time. He began his insurance career with Ohio Inspection Bureau.

**WILLIAM S. PRINCE**, 70, New York City coal merchant and vice-president of Security Mutual Liability of New York, died there.

**NEIL A. KAIN**, who had been southeastern manager for the A. M. Best Co., died after a lengthy illness. He had been with the organization since 1931.

**HOBERT C. BRADY**, 50, local agent at Wichita died in a hospital there following surgery in early December. A graduate of Friends University, Mr. Brady entered the business with Wheeler, Kelly, Haggy in 1927, resigning 10 years later to form the Swope-Brady Realty Co. with the late S. M. Swope. He was a leader in civic affairs, serving as president of the Withita Chamber of Commerce and the Community Chest, Red Cross county chairman and in 1948 was president of National Assn. of Real Estate Boards.

**CHARLES C. SCHWARZ**, 65, who operated an agency at Buffalo more than 30 years, died after an illness of three months.

**SAMUEL BLOOM**, head of Samuel Bloom & Sons, one of the oldest active agents at Rochester, N. Y., died there. A native of Russia, he went to Rochester about 60 years ago and entered the insurance business about 48 years ago. His two sons, Raymond and Seymour Bloom, later joined him in the firm.

**PAUL L. GREENE**, who had been a local agent at Miami Beach for 13 years, died at the age of 56, apparently a suicide.

## Hoelting Rejoins General

After a year of service as a lieutenant commander in the bureau of naval personnel at Washington, D. C., Alan Hoelting has returned to the ocean marine department of General of Seattle. He is now supervising the northwest ocean marine division.

## New G. A. B. Office in Tex.

A new office has been opened at Plainview, Tex., by General Adjustment Bureau with J. C. Crouch as manager. He was appointed resident adjuster at Plainview in 1951, having been with G.A.B. since 1948.

Herb D. Achey, staff adjuster at Wichita of Western Adjustment, has purchased a local agency at Paola, Kans.

## Convention Dates

Feb. 22-24, Midwest Territorial Conference of N. A. I. A., Sheraton-Cadillac Hotel, Detroit.

March 4-5, Fire Underwriters Assn. of the Pacific, Palace Hotel, San Francisco.

March 5-7, N.A.I.A. executive committee, Greenbrier, White Sulphur Springs, W. Va.

March 23-24, National Assn. of Surety Bond Producers, Waldorf-Astoria Hotel, New York.

March 23-25, National Assn. of Mutual Agents, midyear, Jung hotel, New Orleans.

March 26-27, New Jersey agents, midyear, Berkeley-Carter hotel, Asbury Park.

March 30-April 1, Far West Agents Conference of N. A. I. A., Cliff hotel, San Francisco.

April 2-9, Western Underwriters Assn., annual, Broadmoor hotel, Colorado Springs, Colo.

April 12-14, Eastern Territorial Conference of N. A. I. A., Philadelphia.

April 16-18, Rocky Mountain Territorial Conference of N. A. I. A., Broadmoor Hotel, Colorado Springs, Colo.

April 20-21, Zone 4 of N. A. I. C., Chicago.

April 29-May 2, Southern Conference of N. A. I. A. and National Board of State Directors, Hollywood Beach hotel, Hollywood, Fla.

May 4-6, H. & A. Underwriters Conference, annual, Drake hotel, Chicago.

May 13-15, Zone 2 of N. A. I. C., Hershey, Pa.

May 14, National Board of Fire Underwriters, annual, Commodore hotel, New York.

May 18-20, American Management Assn., insurance conference, Hotel Statler, New York.

May 21-23, Texas Agents, annual, Rice hotel, Houston.

May 30-June 1, American Assn. of Managing General Agents, Nippersink Lodge, Genoa City, Wis.

June 1-3, Insurance Accounting & Statistical Assn., annual, Palmer House, Chicago.

June 7-11, National Assn. of Insurance Commissioners, annual, St. Francis hotel, San Francisco.

June 18-20, Conference of Mutual Casualty Companies, management conference, Traverse City, Mich.

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June 29-July 1, International Assn. of A. & H. Underwriters, annual, Edgewater Beach hotel, Chicago.

Aug. 24-26, International Federation of Commercial Travelers Insurance Organizations, annual, Jasper Park Lodge, Jasper National Park, Alberta, Canada.

Aug. 24-27, Blue Goose Grand Nest, Royal Alexandra hotel, Winnipeg, Manitoba, Can.

Aug. 30-31, Oregon Agents, annual, Multnomah Hotel, Portland.

Sept. 2-4, Washington agents, annual, Olympic Hotel, Seattle.

Sept. 14-15, Utah Agents, annual, Ben Lomond Hotel, Ogden.

Sept. 14-16, International Claim Assn., annual, Sagamore, Bolton Landing, Lake George, N. Y.

Sept. 20-23, Idaho Agents, annual, Sun Valley Lodge, Sun Valley.

Sept. 23-25, American Mutual Alliance Conference, Hotel Somerset, Boston.

Sept. 28-Oct. 1, National Assn. of Insurance Agents, annual, Washington, D. C.

Oct. 5-8, Bureau of A. & H. Underwriters, annual, Seignior Club, Montebello, Can.

Oct. 18-20, Kansas Agents, annual, Broadview hotel, Wichita.

Oct. 26-27, Missouri Agents, annual, Hotel President, Kansas City.

Nov. 2-4, California Agents, annual, Biltmore hotel, Los Angeles.

Nov. 15-17, Kentucky Agents, annual, Brown Hotel, Louisville.

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Milwaukee, Wis.

We invite Agency inquiries in Illinois—Indiana—Iowa—Minnesota—Wisconsin. Certain territories available for Agency representation

## EDITORIAL COMMENT

### On Recouping 1950-52 Automobile Losses

A problem of some size which faces companies operating within the framework of the American agency system is how to recoup automobile liability losses sustained in the 2½ years following the outbreak of the Korean war. Premiums have climbed so high that public and supervisory pressure is going to insist upon immediate reductions where indicated. There is not going to be much if any time after rates catch up with experience, in which companies can earn something extra to offset losses sustained in 1950, 1951 and 1952.

Even if supervisory authorities and the public would stand for such offsetting, competition from those insurers that operate in a different manner, which make up in the aggregate a very large, aggressively competitive automobile insurance market, would certainly tend to force prompt rate reductions wherever at all possible.

The problem is one with which supervisory authorities are not unsympathetic. They are aware of the fact that if it had not been for these agency insurers, with the vast amount of insurance they provide country-wide the market problem would have become so much more acute in so many more localities than it did that several and perhaps more states would either already have or would be certain to get compulsory or state funds, or both, or forms of legislation resembling them and having the same unfortunate effects.

The other face of the problem is how such companies are going to compete with insurers that operate differently, even assuming that they are willing and able to pocket their 1950-52 losses and forget about them, as it appears they are going to have to do.

To say that all agency insurers need to do is cut the commission by a few percentage points is, in the opinion of many honest and competent men in the automobile liability insurance field, to oversimplify the problem and even not to meet it at all. There are those who believe that the advantage of the irregulars, to use that word without implication of moral judgment, lies not in any edge in acquisition cost, which is largely illusory, but in their control of underwriting.

The regulars cannot control their underwriting, the observers say on this point, firmly enough to make a sound underwriting policy work. They can-

not keep even with the irregulars on underwriting and therefore their loss ratios are higher; they certainly cannot make up past losses by underwriting more successfully.

An honest, successful agent commented the other day that he would be willing to take five points less commission percentage any day in the week that his companies would take all the business he could produce. His staff would be willing to go along with him on this. But the irregulars are underwriting very closely; they are maintaining their balanced book of business, with so many dollars of premiums in the various classes according to a well laid out ledger of business. They do not have to take auto business they don't want in order to get other business, fire, burglary, bonds, with it. Agency company groups contend that they swallow a lot of garbage risks for such agency purposes.

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the Democracy Beats Communism  
week, a fund-raising drive for the  
Salvation Army nursery, the United  
Funds Campaign and the reorganiza-  
tion of Kansas City Philharmonic Or-  
chestra Assn.

**Charles S. Kremer**, president of  
Hartford Fire, and **Charles H. Smith**,  
vice-president and western manager,  
have been together on a visit to At-  
lanta.



**Election of  
James H. Pingree** as president of In-  
surance Assn. of  
Los Angeles was  
reported in last  
week's issue. Com-  
missioner Maloney  
acted as installing  
officer at the an-  
nual meeting of  
the association.

**J. E. Larson**, Florida state treasurer  
and insurance commissioner, under-  
went an emergency operation at Duke  
hospital at Durham, N. C., and is re-  
ported to be making a satisfactory re-  
covery.

**Robert W. Watt**, president of Sea-  
board Surety, has mailed out to a se-  
lected list some of the official pro-  
grams of the inaugural ceremonies at  
Washington.

**Roy A. MacDonald**, assistant direc-  
tor of H. & A. Underwriters Confer-  
ence, and Mrs. MacDonald are the  
parents of a new baby girl, Bonnie Lee,  
born Jan. 22.

**Charles B. Sullivan**, of Wilton, a  
partner in the H. D. Cheever agency,  
has been elected chairman of the New  
Hampshire Republican state commit-  
tee.

**Carl Bryan**, who is a local agent  
there, has been elected mayor of Pueblo,  
Col.

**Ray Sweeney**, U. S. manager of  
Caledonian, is on a western trip, tak-  
ing him as far out as Denver.

**Vincent Gallagher**, assistant U. S.  
manager of Pearl, has been on a mid-  
western trip visiting, among other  
places, Chicago, Indianapolis and Cin-  
cinnati.

**Orville E. Hodge**, who is the new  
Illinois state auditor, is a prominent  
real estate and insurance agent of  
Granite City, and he is chairman of the

advisory board of Paramount Fire. He  
has completed three terms in the lower  
house of the Illinois legislature.

**S. B. McAllister**, vice-president of  
the Daly General Agency, Denver, has  
been quite ill in General Rose Hospi-  
tal there.

## DEATHS

**J. V. FOTHERGILL**, assistant sec-  
retary of London & Lancashire group  
and vice-president of London & Lan-  
cashire Indemnity, died at Hartford.  
He joined the L. & L. organization in  
1893, and on Feb. 6 would have  
completed 60 years of service.

His original training was in the  
fire department and after field ex-  
perience he became agency superin-  
tendent, later supervising the organ-  
ization's automobile business. He was  
particularly well-known in that field  
and, although handicapped by blind-  
ness since 1906, performed notable  
service for all of his companies, as  
well as National Automobile Under-  
writers Assn.

**THOMAS M. GARRISON**, 67, attor-  
ney, who retired as Chicago manager  
of American Credit Indemnity in 1950,  
died in his suburban Oak Park home.  
He opened the Chicago office for  
American in 1922 and remained as its  
manager until he went with National  
Surety in an executive capacity a few  
years later. He returned to American  
as manager in 1938, holding that post  
until he retired.

**HERBERT W. KNIGHT**, who retired  
in 1931 as vice-president of Glens  
Falls, died at his home at Glens Falls  
at the age of 87. He had been with the  
company 46 years when he retired.

**GEORGE FEINDT**, retired Illinois  
state agent for North America, died at  
his home at Chicago. His age was 76.  
He had been with North America  
many years and before that had seen  
service with Great American, Marsh &  
McLennan and Insurance Survey Bu-  
reau.

**FRANK RUSSELL MULLANEY**, fi-  
nancial vice-president and secretary of  
American Mutual Liability, died sud-  
denly at his home at Newton, Mass.  
He was 64. After graduating from  
Pace Institute of Accountancy he went  
with Fidelity & Casualty. He went  
with American Mutual in 1917 as an  
actuary. In 1927 he was elected secre-  
tary and 1936 vice-president. From  
1924 until 1950 he was in charge of

underwriting and statistical functions.  
Since then he had been financial vice-  
president and secretary.

He was a charter member of Casual-  
ty Actuarial Society.

**A. R. GIBSON**, 52, vice-president of  
Buckeye Union Fire, died at Columbus,  
O. He joined Buckeye Union Fire when  
it was organized in 1938, having been  
state agent for Hanover in Ohio prior  
to that time. He began his insurance  
career with Ohio Inspection Bureau.

**WILLIAM S. PRINCE**, 70, New  
York City coal merchant and vice-  
president of Security Mutual Liability  
of New York, died there.

**NEIL A. KAIN**, who had been south-  
eastern manager for the A. M. Best  
Co., died after a lengthy illness. He  
had been with the organization since  
1931.

**HOBERT C. BRADY**, 50, local agent at Wich-  
ita died in a hospital there following surgery in  
early December. A graduate of Friends Uni-  
versity, Mr. Brady entered the business with  
Wheeler, Kelly, Hagny in 1927, resigning 10  
years later to form the Swope-Brady Realty  
Co. with the late S. M. Swope. He was a  
leader in civic affairs, serving as president  
of the Withita Chamber of Commerce and the  
Community Chest, Red Cross county chair-  
man and in 1948 was president of National  
Assn. of Real Estate Boards.

**CHARLES C. SCHWARZ**, 65, who operated  
an agency at Buffalo more than 30 years, died  
after an illness of three months.

**SAMUEL BLOOM**, head of Samuel Bloom &  
Sons, one of the oldest active agents at  
Rochester, N. Y., died there. A native of  
Russia, he went to Rochester about 60 years  
ago and entered the insurance business about  
48 years ago. His two sons, Raymond and  
Seymour Bloom, later joined him in the firm.

**PAUL L. GREENE**, who had been a local  
agent at Miami Beach for 13 years, died at  
the age of 56, apparently a suicide.

## Hoelting Rejoins General

After a year of service as a lieuten-  
ant commander in the bureau of naval  
personnel at Washington, D. C., Alan  
Hoelting has returned to the ocean ma-  
rine department of General of Seattle.  
He is now supervising the northwest  
ocean marine division.

## New G. A. B. Office in Tex.

A new office has been opened at  
Plainview, Tex., by General Adjust-  
ment Bureau with J. C. Crouch as  
manager. He was appointed resident  
adjuster at Plainview in 1951, having  
been with G.A.B. since 1948.

Herb D. Achey, staff adjuster at  
Wichita of Western Adjustment, has  
purchased a local agency at Paola,  
Kans.

## Convention Dates

- Feb. 22-24, Midwest Territorial Conference of  
N. A. I. A., Sheraton-Cadillac Hotel, Detroit.  
March 4-5, Fire Underwriters Assn. of the  
Pacific, Palace Hotel, San Francisco.  
March 5-7, N.A.I.A. executive committee,  
Greenbrier, White Sulphur Springs, W. Va.  
March 23-24, National Assn. of Surety Bond  
Producers, Waldorf-Astoria Hotel, New York.  
March 23-25, National Assn. of Mutual Agents, mid-  
year, Jung hotel, New Orleans.  
March 26-27, New Jersey agents, midyear, Berkeley-  
Carteret hotel, Asbury Park.  
March 30-April 1, Far West Agents Conference of  
N. A. I. A., Clift hotel, San Francisco.  
April 2-9, Western Underwriters Assn., annual, Broad-  
moor hotel, Colorado Springs, Colo.  
April 12-14, Eastern Territorial Conference of  
N. A. I. A., Philadelphia.  
April 16-18, Rocky Mountain Territorial Conference  
of N. A. I. A., Broadmoor Hotel, Colorado Springs,  
Colo.  
April 20-21, Zone 4 of N. A. I. C., Chicago.  
April 29-May 2, Southern Conference of N. A. I. A.  
and National Board of State Directors, Hollywood Beach  
hotel, Hollywood, Fla.  
May 4-6, H. & A. Underwriters Conference, annual,  
Drake hotel, Chicago.  
May 13-15, Zone 2 of N. A. I. C., Hershey, Pa.  
May 14, National Board of Fire Underwriters, an-  
nual, Commodore hotel, New York.  
May 18-20, American Management Assn., insurance  
conference, Hotel Statler, New York.  
May 21-23, Texas Agents, annual, Rice hotel, Hous-  
ton.  
May 30-June 1, American Assn. of Managing Gen-  
eral Agents, Nippersink Lodge, Genoa City, Wis.  
June 1-3, Insurance Accounting & Statistical  
Assn., annual, Palmer House, Chicago.  
June 7-11, National Assn. of Insurance Commis-  
sioners, annual, St. Francis hotel, San Francisco.  
June 18-20, Conference of Mutual Casualty  
Companies, management conference, Traverse  
City, Mich.  
June 20-24, Conference of Mutual Casualty Com-  
panies, management conference, Traverse City, Mich.  
June 29-July 1, International Assn. of A. & H. Under-  
writers, annual, Edgewater Beach hotel, Chicago.  
Aug. 24-26, International Federation of Commercial  
Travelers Insurance Organizations, annual, Jasper Park  
Lodge, Jasper National Park, Alberta, Canada.  
Aug. 24-27, Blue Goose Grand Nest, Royal Alex-  
andra hotel, Winnipeg, Manitoba, Can.  
Aug. 30-31, Oregon Agents, annual, Mult-  
nomah Hotel, Portland.  
Sept. 2-4, Washington agents, annual,  
Olympic Hotel, Seattle.  
Sept. 14-15, Utah Agents, annual, Ben Lom-  
mond Hotel, Ogden.  
Sept. 14-16, International Claim Assn., annual, Saga-  
more, Bolton Landing, Lake George, N. Y.  
Sept. 20-23, Idaho Agents, annual, Sun Valley Lodge,  
Sun Valley.  
Sept. 23-25, American Mutual Alliance Conference,  
Hotel Somerset, Boston.  
Sept. 28-Oct. 1, National Assn. of Insurance Agents,  
annual, Washington, D. C.  
Oct. 5-8, Bureau of A. & H. Underwriters, annual,  
Selgriory Club, Montebello, Can.  
Oct. 18-20, Kansas Agents, annual, Broadview hotel,  
Wichita.  
Oct. 26-27, Missouri Agents, annual, Hotel President,  
Kansas City.  
Nov. 2-4, California Agents, annual, Blitmore hotel,  
Los Angeles.  
Nov. 17-19, Kentucky Agents, annual, Brown  
Hotel, Louisville.

## WEST BEND MUTUAL FIRE

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**ARTHUR W. PETERSON**,  
Branch Manager  
**VICTOR A. HANSON**,  
Special Agent

**ROBERT W. ZOBAC**  
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Suite 301-302  
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Special Agent  
2511 E. Bellevue Pl.  
Milwaukee, Wis.

We invite Agency inquiries in Illinois—Indiana—Iowa—Minnesota—Wisconsin. Certain territories available for Agency representation

## Suits Charge Check-Kiting in Iowa Bank Loss

DES MOINES—American Surety has filed suits in federal court here against six individuals and Hartford-Carlisle Savings Bank of Carlisle as the result of what it calls a "check-kiting" scheme which caused a loss of \$113,640 to Cambridge State Bank, Cambridge, Ia.

The petition states that the check transactions involved over \$2,800,000 in a nine-month period but gave no

details on how the check-kiting operation worked.

The individuals named as defendants were: Orville Stevens, operator of a Des Moines used-auto sales firm; C. L. Larson, salesman for Stevens; E. D. Hall, Huxley, Ia., farm implement dealer; Harry C. Cairns, former cashier and officer of the Cambridge bank; V. S. Eagan, special agent for Bankers Life of Des Moines, and G. D. Schooler, president of the Hartford-Carlisle bank.

State Banking Superintendent Black

announced that the Cambridge bank had recovered about half of its \$113,640 loss from two of the depositors involved and got the remaining \$59,926 from American Surety which had a \$65,000 bond on the bank.

Four of the persons named by the bonding company issued statements denying knowledge of the check-kiting scheme. Eagan said he had endorsed some checks received from Stevens for loan payments but that was the only dealings he had with him.

Officials stated that Stevens had twice been sentenced to prison terms on false check charges previously.

## Assault and Battery Case Beyond Scope of Policy

American Universal won a decision before the Rhode Island supreme court absolving it of liability in a case in which the insured was charged with assault and battery, the citation being 7CCH (Fire & Casualty) 1040.

On Jan. 19, 1950, Walter R. Mallet caused a disturbance in the insured's cafe at 1 Hospital Street, Providence, and had to be forcibly ejected. Mallet in the process threatened to kill the insured and the insured, aiding in subduing Mallet, hit him with a stick. On Feb. 2 of that year Mallet brought an assault and battery charge against the insured and subsequently the insured notified American Universal. The insurer took a pass, citing the exclusion of assault and battery.

The insured finally settled the matter by paying Mallet \$100. His legal services cost him \$100.

## Biggest Air Death Suit

Mrs. Margaret W. Patterson, widow of Robert P. Patterson, former Secretary of War, who was killed in an air crash in Elizabeth, N. J. a year ago, has filed suit against American Airlines in New York federal court for \$2,685,000.

It is said to be the largest individual negligence suit ever filed as a result of an airplane accident. At the time of his death, Mr. Patterson, 60, was en route by American Airlines Convair from Buffalo to Newark. The crash killed 23 aboard the plane and seven residents of Elizabeth.

## Archer Takes Denver Post

Syd Archer, formerly with Flahiva Claims Service, Austin, Tex. and Insurance Claims Service, El Paso, has joined Rocky Mountain Adjustment Bureau, Denver, as casualty adjuster.

## Gordon Memorial Award Competition Opened for 1952

Nominations for the Harold R. Gordon memorial award are now being solicited and ballots have been distributed to A. & H. agents and companies.

The award is sponsored by Chicago A. & H. Assn. and is given to any person for service rendered the A. & H. business during the past year, or for sustained and meritorious service over a long period of time. Previous recipients have been E. H. O'Connor, managing director of Insurance Economics Society; V. J. Skutt, president of Mutual Benefit H. & A.; W. E. Leiby, general agent of Massachusetts Indemnity at Los Angeles, and the late Bert A. Hedges of Business Men's Assurance.

Nomination ballots and supporting data should be received by the award committee before March 1. The award will be made at the annual convention of International Assn. of A. & H. Underwriters at Chicago, June 30.

## Revises Mexican Auto Rates for American Tourists

A revision of American International Underwriters Mexican tourist automobile rates applicable to the special Mexican tourist policy form, designed to afford adequate American protection for American automobile owners driving into Mexico, is announced.

It is intended to bring the rates more closely into line with those charged by Mexican insurers and to distribute insurance costs for this type of specialized protection more equitably with respect to the types of risks and the coverages afforded.

## Plan Home Office Building

Pan American Casualty and Pan American Ins. Co. expect to start construction shortly on a \$350,000 home office building at Louisiana and Tuam streets at Houston. This will be two stories and contain 24,000 feet of space. This will contain all the modern features and occupancy is slated for Sept. 1.

## Honor Landis at L. A.

The Pacific C.P.C.U. was host at a luncheon at Los Angeles honoring M. L. Landis, general counsel of Central Mutual, who is secretary of National Society of C.P.C.U. Policies designed to achieve professional recognition of insurance men and plans for the 1953 national seminar were discussed.

# WANT ADS

### WANTED SPECIAL AGENT FOR CENTRAL INDIANA

who has special agent experience or foundation in automobile underwriting. Opportunity for one who can produce. Must be willing to locate in territory. Company is well established; in business 27 years. All replies strictly confidential.

SUBURBAN CASUALTY  
WHEATON, ILL.

### WANTED

Long established agency in Milwaukee has an opening for a man, preferably between 30 and 40 years of age, who has a background and experience in general insurance, as a producer or otherwise, and who is interested in improving his position for the future with an opportunity to acquire an interest in the agency. Salary commensurate with your qualifications. Give full particulars in letter. All information held in strict confidence. Address P-85, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

### CASUALTY UNDERWRITERS

Our rapid expansion requires us to seek the services of two experienced casualty underwriters. One in the automobile dept. and one in the compensation and liability dept. Applicants should have sufficient experience and background to assume full underwriting responsibility for each department. Salary commensurate with experience. Address P-94, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

### WANTED

#### CASUALTY SPECIAL AGENT

Due to rapid expansion we have an opening in Illinois for an experienced casualty special agent. Top salary to qualified man. Liberal benefits. G. L. Hubbard, Room 400, 120 S. LaSalle St., Chicago 3, Ill.

Companies desiring representation thru a surplus line broker in Colorado are invited to write me, specifying current rates. Representation is desired for insurers of service-men. General Agency for Fire insurance company and casualty company. Bert E. Gregory, 220 South Broadway, Denver, Colo.

### A&H FIELD POSITION AVAILABLE

Michigan territory—Detroit headquarters. Top notch opportunity for young man. Excellent future. Write stating experience and qualifications. Inquiries strictly confidential. Loyalty Group Companies, Irving G. Weissman, Secretary, 120 S. LaSalle Street, Chicago 3, Illinois.

### WANTED CASUALTY SPECIAL AGENT

By old responsible Casualty Company Young Man with some casualty field and underwriting experience in Midwest operating from Des Moines. Right man can make excellent future for himself. Address P-48, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

### WANTED

Ambitious, energetic young man over twenty-five with Marine experience to enlarge, develop and manage an Inland Marine Department, operating throughout Louisiana and Mississippi. Headquarters, New Orleans, La. Large producing fire agency plant to work with Unlimited opportunity. Address P-76, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

### CLAIM MANAGER AVAILABLE

Presently employed. Interested in making change. Age 45—married—L.L.B.—21 years experience multiple lines. Proven administrative record. Address P-82, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

### WANTED—SPECIAL AGENT—INDIANA

An excellent opportunity available for experienced multiple-line special agent to travel excellent territory in Indiana. Write giving your qualifications and background. Address P-86, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### SPECIAL AGENT WANTED

#### NORTH-SOUTH CAROLINA AND VIRGINIA

Excellent opportunity for resident of this area with fire insurance background. Company is an old New England mutual with established agency plant and still growing. Car furnished. Replies will be kept confidential. Address P-89, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

### WANTED

#### FOR CENTRAL ILLINOIS

Fire company State Agent, under 40, experienced in this or other territory. Established agency plant. Reply to P-83, The National Underwriter, 175 West Jackson Blvd., Chicago 4, Illinois.

### AVAILABLE

Group A&H claims supervisory—college graduate, under 40, legal training—five years A&H claims experience. Willing to move; prefer midwest. Address P-88, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

### WANTED

#### CASUALTY CLAIMS MANAGER

A man capable of handling top claim spot in Kentucky for established stock casualty company. Liberal benefits. Salary commensurate with experience and ability. Address P-92, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

### WANTED

#### COMPENSATION AND LIABILITY CLAIMS EXAMINER

Stock casualty company seeking man that could qualify. Pleasant office. Liberal benefits. Salary open. Our employees know of this ad. Address P-93, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

We can put you in touch with a valuable man!

Do you want to save thousands of dollars while assuring maximum tax deduction for property losses? We know a man, looking to better himself, who can do this for your corporation.

This man, realizing inflationary costs of replacements, forced the rewriting of property insurance contracts for the benefit of his present employer. He also organized and is administering a broad general insurance department for a parent and subsidiary corporations totalling \$60,000,000 of property coverage and \$3,000,000 of employee funds. His systems and savings have paid his salary many times.

His experience and knowledge cover fire, marine, casualty and employee benefit plans, such as pensions, hospitalization and dependents' coverage. He is age 32, married with family, college graduate, veteran and a man of high integrity. We are placing this advertisement because of our belief and confidence in him.

For personal interview or further information, write or phone George Twigg, Jr., Financial Planning Company, 31 Milk Street, Boston. Telephone Liberty 2-7822.



## Encouragement for Opponents of Compulsory in N. Y.

**Power of Agents Will be  
Tested; Proponents Are  
Not Optimistic**

NEW YORK—There was some pessimism on both sides of the compulsory automobile legislative issue in New York as both sides continued this week to maneuver in a preliminary test of strength. After checking with legislators, those in favor of compulsory recognized that they have a tough fight on their hands and may very well lose. If this should be the case, political observers point out that since next year is an election year and the following year will be the first season for a new administration, it is doubtful if compulsory will come up again in a sharp way for a couple of years or so.

The bills being drawn by the insurance department for the cooperation of the motor vehicle bureau, the governor's counsel, George M. Shapiro, and others are expected to be ready for unveiling this week or next. It is understood there is a bill for compulsory and another one for an unsatisfied judgment fund, though there is a hint that there are going to be some major differences between the UJF bill and the law in New Jersey, possibly even to a change of name. The UJF bill may get as far away as possible from putting any of the money burden for its creation and maintenance on the insured public since it has become apparent that the legislators and the public will be disposed to criticize very severely the taxing of insured drivers to pay for the uninsured.

It is said that many legislators object to compulsory because they recognize that it will have no influence on the main problem, which is a reduction in traffic accidents. Actually, compulsory is apt to result in an increase in auto liability rates, at least in its early stages. There is an impoundment feature somewhere in the legislative program that is being readied.

In spite of very strong opposition by certain segments of the insurance business to any form of UJF, it is considered possible that something of this kind would be adopted, even though compulsory were to lose. It is now pretty generally admitted both by proponents and opponents of the program that a compulsory bill would have to be accompanied by some sort of unsatisfied judgment fund and impoundment would be a very desirable enforcement feature.

If compulsory loses, undoubtedly it will be because of the political strength of producers. This is not to demean the influence of the very large portion of company opposition to compulsory—that strength will help, but the real pressure against compulsory, if it is successfully aroused and applied as it seems to be, will be the producers' efforts. Opponents are not underestimating the strength behind the com-

(CONTINUED ON PAGE 23)

## GOES FROM IOWA SPOT

### Paul Mast New Wisconsin Agents Executive Secretary

Paul H. Mast of Des Moines has accepted the position of executive secretary of Wisconsin Assn. of Insurance Agents. He succeeds Urban Krier, who has resigned to become assistant Milwaukee manager of U.S.F.&G. April 1.

For the last four years Mr. Mast has been secretary-manager of Iowa Assn. of Insurance Agents. During his tenure of office the membership has grown from 412 to 650 agency members. In addition to his legislative activities Mr. Mast was active in developing an insurance educational program, an advertising mat service for agents and a driver safety program. He will go to Wisconsin about March 1 with his wife and two sons.

Before joining the Iowa agents association, Mr. Mast was executive secretary of the Iowa department of AM-VETS with headquarters at Waterloo.

### Herter Wants Demerit Auto Plan in Mass.

The rating plan proposed by Governor Herter of Massachusetts is the first of its kind to be presented to the Massachusetts legislature.

The governor has in mind a "demerit" system whereunder drivers would accumulate points against themselves for driving offenses and accidents. The points assessed against the offending drivers would be determined by the registrar of motor vehicles and the insurance commissioner would fix the charges to be added to the compulsory insurance rates.

Under the governor's plan, the present zone system of rating would continue, with penalty surcharges added for individual automobile owners.

The reaction of insurance people to this scheme has been generally favorable, but the program is not thought to have more than a 50-50 chance of adoption, since legislators from low rated districts (who command a majority in the house) are suspicious of any attempt to change the present rating system, being fearful that it may prove to be an entering wedge for a state flat rate.

Massachusetts Assn. of Insurance Agents has issued a statement acclaiming the plan, while insurance executives have not spoken adversely about it. Some lawyers question the constitutionality of the provision for surcharging the owner of an automobile for violations committed by others while driving his car.

The governor is also proposing that all automobile companies be required to participate in the assigned risk plan.

### American Health Leaders Meet

One hundred qualifiers attended the convention of agents of American Health of Baltimore. Chester J. Hoke, Sr., of Hanover, Pa., won the honor plaque for outstanding service. President W. DeV. Washburn announced that 1952 was the best year in history, premium income having exceeded \$2 million.

### Braddock Urges "New Approach" to Auto Rating

In view of the effect of inflation on automobile losses, "it is obvious that an entirely new approach must be taken, and the public must be prepared for charges far in excess of those in effect today," Robert L. Braddock, executive vice-president of General Reinsurance, told those attending the annual banquet of the Insurance Society of Ohio State University.

Mr. Braddock suggested that old conceptions of rating risks in casualty lines have broken down, and "in a period of increasing claim costs, it has become evident that a look backward over the shoulder at the record of the past will not produce a rate for the years ahead. The difficulty of this is that rates have not covered losses and overhead so that the question as to whether profit loading should be 5% or some lower per cent is academic; the underwriting profit since 1950 in casualty insurance has been too small to support the risk capital necessary for an expanding demand, and if it had not been for investment income, the record would be indeed sick."

"The fact that an official of the state insurance department approves or refuses to approve any given rate is not going to change the underwriter's estimate of the risk he is assuming," Mr. Braddock said. "If the rate is too low in his opinion, he will not write it and, if enough other underwriters agree with him, the risk ends up in the assigned risk plan. Would it not be better to allow each company to charge any rate it felt was needed and write the risk through normal channels at a limit desired by the insured?"

Mr. Braddock indicated he has no worries over the possibility of excessive rates, saying that the intense competition in the insurance business does not allow the company to charge rates out of line for long. Hence, "the only regulation of rates that can be defended in the public interest is a minimum rate for a class." Rigidity or flexibility of rate regulation will not have too much effect on the solvency of companies, since poor management will fail under any set of rules while good management "should not be hamstrung by regulations which restrict their freedom of action in the market."

Mr. Braddock said he is not critical of regulation as such, "for it is recognized that there are areas of control which are necessary in any business so close to the interest of economy," but he does not believe that essential regulation need restrict the free operation of competition in the insurance business although the trend appears to be in that direction.

The reinsurance companies face serious inflation problems, Mr. Braddock said, noting that an inflation of 40% in average claim costs for primary insurers produces an inflation of 340% for the reinsurer on the leverage principle. A reinsurer covering a company above a retention of \$25,000 will pay \$5,000 on a \$30,000 claim. However, if the claim is inflated 40%, it

(CONTINUED ON PAGE 23)

## Ohio Bureau Group Defers Auto Rate Action to March 15

**Might Presage Another  
Era of Hot Automobile  
Competition in the State**

COLUMBUS—Ohio Bureau of Casualty Insurers, the members of which account for a large share of automobile business in the state, has postponed any action on automobile rates until March 15. This development makes it virtually certain that American Automobile and other large independents will also hold the line until then. It could be the first step in another era of hot automobile competition in Ohio. Since the war, Ohio Bureau rates have been the same as those of National Bureau of Casualty Underwriters, but the National Bureau rate increase, which went into effect last week, means that Ohio Bureau and independent rates are now lower at least temporarily in all Ohio territories except Cleveland and Bridgeport and in some few other territories. Particularly Columbus, Toledo and Cincinnati are very much lower.

The Ohio situation is complicated by the fact that the new financial responsibility law goes into effect March 1. Thus, there are about as many opinions on the significance of Ohio Bureau's postponement of action as there are observers. One is that there is a difference of opinion among members as to how high rates need to be and that after time has been taken to consider the situation there will be filings as high or almost as high as National Bureau's. Another is that the delay simply gives the companies and their agents a chance to get a good bite of new financial responsibility law business, after which rates will again become non-competitive. A third school of thought is that automobile competition is back to stay and that Ohio Bureau companies have no intention of letting Allstate, Farm Bureau and the big direct writing mutuals walk off with desirable business. Those who feel this way point to 1931, when National Bureau put through a drastic automobile liability rate increase which was fully justified by experience. Non-bureau insurers, stock and mutual, sensing that the tide was turning, came out with lower rates and captured a share of the business which they have never lost. There are, of course, many reasons why 1953 is not 1931, particularly the fact that no deflation is going on now, but enough people have predicted a return of a competitive market to make this view worth considering.

### Los Angeles Club Elects

Casualty Underwriters Club of Los Angeles has elected these officers: President, Frank Kucher, Glens Falls; vice-president, Belmont Teecher, Fireman's Fund; secretary, John Mee, Maryland Casualty.

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IT'S a satisfying feeling—and a real time-saver—to have a dependable market for all lines of business, regardless of character.

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Executive Vice President



## J. A. Gernhardt, to Retire as National Surety "Ad" Chief

Joseph A. Gernhardt, director of advertising and publicity of National Surety since 1928, will retire Feb. 1 because of ill health. He has been laid up occasionally in recent times by a heart condition. Mr. Gernhardt will take it easy at his home in Brooklyn. He joined National Surety first as a forgery salesman. He went into the advertising department in 1928, when William Barnhart was in charge, and when the latter died later that year, Mr. Gernhardt became its head. He was president of Insurance Advertising Conference, in which he always has been active, in 1949.

Ellis Stevens, who started in the print shop of the company and who two years ago went into the advertising department, will succeed Mr. Gernhardt.



Joseph A. Gernhardt

though in higher limits, but that "any other liability coverages, including O.L.&T. must be specifically scheduled at additional premium."

The agents' bulletin concludes that "for minimum cost and adequate protection, the bond, civil liability and O.L.T. coverages still appear to be the practical method of insuring liquor licensees and are acceptable to the liquor control commission for filing with license application".

## Travelers Group Premiums at \$625½ Million Up 15%

Written premiums of the Travelers companies totaled \$625,573,000 in 1952. This is a gain of \$81,608,000 or 15% over the 1951 total of \$543,965,000.

Written premiums for 1951 and 1952 were:

	1951	1952
Life	\$178,430,000	\$192,415,000
A. & H.	103,319,000	126,009,000
Liability and PDL	27,119,000	28,583,000
Automobile	123,648,000	152,457,000
Compensation	52,021,000	69,837,000
Burglary, glass	9,479,000	7,770,000
Boiler, machinery	8,142,000	5,482,000
Fidelity, surety	5,152,000	5,026,000
Fire and allied	29,593,000	29,781,000
Marine	7,062,000	8,213,000

## Reports on First Year of Texas Assigned Risk Plan

In the first year of operation, Texas Assigned Risk Plan returned 40% of submitted applications to agents for correction. There were 20,745 applications in all, J. Don Squibb, manager, declared in an address at the casualty-surety meetings of Texas Assn. of Insurance Agents at Dallas and Houston.

Mr. Squibb said the 11,596 assigned risks completed under the plan involved premiums of \$478,167. No loss figures are available. He added that 787 applications had been rejected and 78 withdrawn. The companies cancelled 259 assigned risks, and insured cancelled 434.

Most of the errors resulted from failure to answer all the questions on the application and from failure to have both copies of the application notarized. Some agents failed to send the full premium in cash or its equivalent, and others did not add the surcharges for certain risks.

Other speakers on the program were Garland A. Smith, casualty commissioner; John M. Campbell, assistant secretary of St. Paul-Mercury Indemnity; A. W. Penn, director of the bond and burglary section of the Texas department, and John H. Kerr, assistant agency director of Maryland Casualty.

## Bankers L. & C. Asks Venue Change in Constitution Case

LOS ANGELES—Hearing on the motion of Bankers Life & Casualty for a change of venue in the suit of Jennison Heaton to prohibit the merger of the Constitution Life of Los Angeles and Bankers L. & C., held in San Francisco, has resulted in advancing the ruling of the court until late in February.

Attorney Charles R. Thompson of Constitution Life, filed with Superior Court Judge Arthur Wollenberg supplemental affidavits showing that the proposed merger was abandoned, and additional briefs in support of the motion of the change of venue to Los Angeles. Henry Robinson, counsel for Heaton, asked for additional time to study the documents and the court granted him 15 days in which to file his answer; and also granted Constitution ten days to answer Mr. Robinson. The judge, at the conclusion of those periods, indicated he would rule on the change of venue motion.

## Another Stock Dividend

WASHINGTON—Government Employees Ins. Co. declared a 10% stock dividend payable March 18 to stock of record Feb. 18. There are now 250,000 shares outstanding so that the capital will then consist of \$275,000 of \$4 par value stock or \$1,100,000. This is the eighth stock dividend since 1943 and one share that was then held would now consist of 275 shares.

## Still Write Mich. Liquor Line

LANSING — Members of Michigan Assn. of Insurance Agents have been advised that they still are in a strong competitive position on covering liability of liquor control commission licensees even if they do not write the new civil liability policy to be issued by Exchange Insurance Assn., Chicago reciprocal, which has been accepted by the Michigan department.

It is emphasized that the reciprocal policy covers civil liability only, al-

## Fraud Is Exposed

Felony Judge Schiller at Chicago placed on parole three former employees of Washington National for defrauding the company of \$3,704. They pleaded guilty of obtaining money under false pretenses. They are Ralph Gold, 39, who was a supervisor; Harry Peskind, 30, who was an agent, and John Zuffante, 32, of Villa Park, Ill., also an agent. The assistant states attorney said these men submitted phony claims, using the names of actual policyholders, and then cashed the settlement checks for themselves. He said this had been going on for a year and a half until it was discovered by the company during a routine check.

Alvin C. Tregoning has resigned as special agent at Seattle for Security of Connecticut to join Universal Underwriters Agency there.



# Trend of W. C. Costs to Continue Upward, Buyers Are Told

**Hanson Gives Causes of  
Increase, Says Rehabil-  
itation Helps Materially**

NEW YORK—The increasing cost of industrial accident cases to the buyer of workmen's compensation insurance is a trend that has not yet reached its peak, Stanwood L. Hanson, assistant vice-president of Liberty Mutual, told the New York chapter of National Insurance Buyers Assn. at its luncheon meeting here. The ascending cost of industrial disability constitutes a challenge to casualty insurance as well as to industry to find new methods to control the increasing burden.

C. H. Rice of Babcock & Wilcox Co., New York, vice-president of the group, presided. A guest was Vernon S. Gorn-to of Smith-Douglass Co., Norfolk, Va., southeastern regional vice-president of N.I.B.A. Mr. Rice announced that a new chapter of N.I.B.A. had been formed in Portland, Ore.

Causes of spiraling W. C. costs start with statutory amendments made each year in state, territorial and federal compensation laws, Mr. Hanson pointed out. How they have increased compensation benefits is illustrated by the Massachusetts compensation law. When this was drawn in 1911, the maximum period for which compensation could be paid was 300 weeks and the maximum amount was \$3,000. Payment of medical expenses was provided for only a two week period following the injury.

Today benefits are payable for life for total permanent disability and medical benefits may be awarded as long as needed without limit. To these are added substantial schedule awards for loss of or permanent damage to body parts, for the loss of bodily functions and for disfigurement. Not all statutes are as generous, but 21 existing compensation laws provide disability payments for life for total permanent disability and in 35 jurisdictions medical benefits may be awarded for as long as the injured worker lives, virtually without limit. In the past 10 years the cost of medical treatment has nearly doubled and that of hospital services has tripled.

A young worker sustaining injuries such as loss of both legs or both arms may need institutional or attendant care for a lifetime. If he suffers a broken back with separation of the spinal cord causing paralysis of the body, bladder, bowels and legs, he may need hospital or nursing care for years. If an injury causes insanity, he may need institutional care indefinitely. In such cases medical costs alone may exceed \$100,000. Only a millionaire could afford for himself what the insurer provides in one of these cases, Mr. Hanson commented.

The trend of interpretative decisions handed down by state boards and courts of jurisdiction is second in importance as a cause of increased W. C. costs. Heart disability, loss of hearing allegedly due to noise, cancer, tuberculosis, asthma and other so-called non-industrial diseases are finding their way into the compensation system. It is impossible to estimate at

this point what the cost of all these types of disability will be, but the amount will be staggering, he predicted.

In New York medical developments have led to awards in certain industries that are proving to be very expensive. An example is the finding that Dupuytren's contracture in the hands is an industrial disability; another is aseptic or bone necrosis as a development in men who have worked under air pressure, such as tunneling occupations. The New York State

Fund, Mr. Hanson understands, is charging a premium of 100% of payroll to insure such operations.

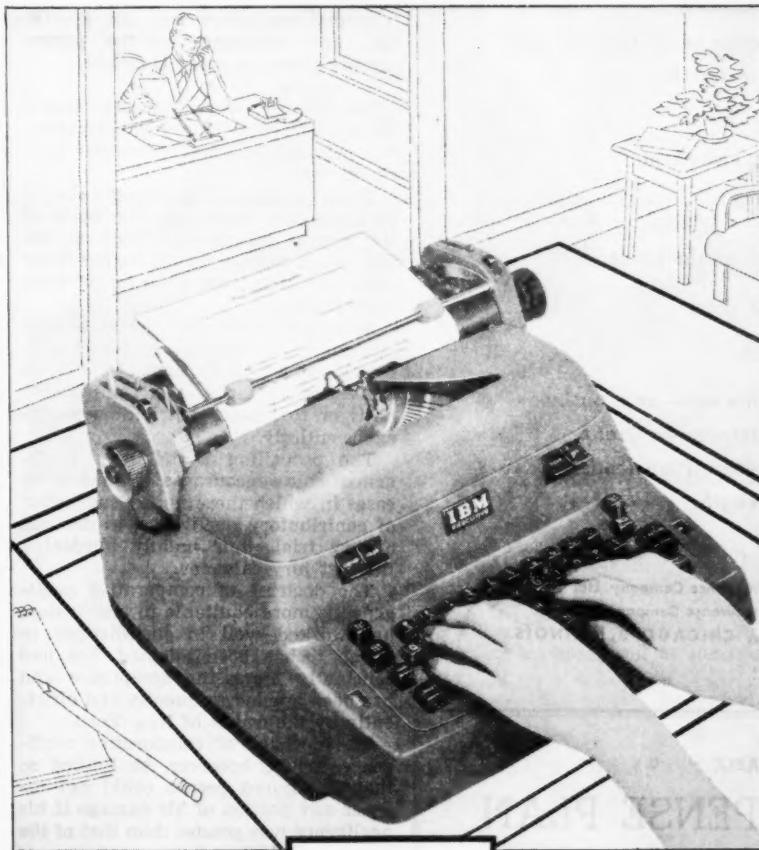
With all these increases in benefits and coverage for new disabilities, labor asserts the benefits provided by W. C. have not kept pace with inflation and the increase in workers' earnings, that weekly benefits allowable today are actually a much lower percentage of wages earned than years ago. Labor claims the worker and his family cannot subsist on the benefits when he is disabled. Another demand is that med-

ical benefits be extended to those states that still have a time or money limit.

These changes and the potential of others to come has so increased the value of compensation cases that alert negligence attorneys are being attracted to this lucrative field in increasing numbers. He called attention to National Assn. of Claimants Compensation Attorneys, reputed to have 1,750 lawyer members in 21 states last year. In recent years 15 of the nation's

(CONTINUED ON PAGE 31)

## Do Your Letters Have That EXECUTIVE\* APPEARANCE?



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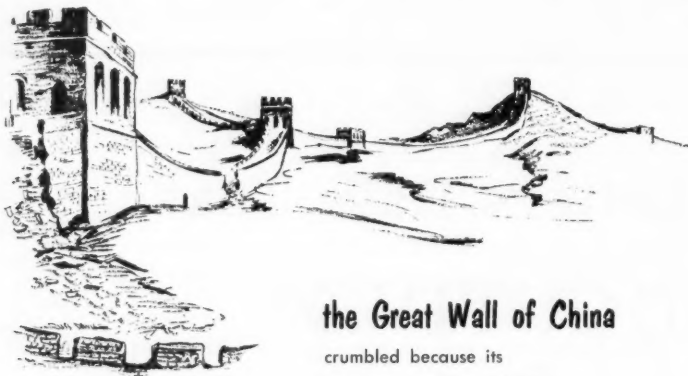
## Seek Auto Title Law Repeal

A bill, believed to have sufficient support for passage, has been introduced in the Tennessee legislature to repeal the law requiring registration of title to an automobile. The law is described as "unworkable" and the cost of operation as "too expensive."

Another measure introduced would

compel an automobile owner to show evidence of financial responsibility before obtaining new or renewal license plates.

Wayne C. Meek of Associated Insurance Agencies, Seattle, addressed Yakima Rotary Club on automobile accident prevention.



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Casualty Company

BALTIMORE

NEW YORK

# Comparative Negligence Coming Up as Doctrine

N. Y. C. Bar Assn.

**Committee Recommends It in That State**

NEW YORK—The preparation of a report on the comparative negligence rule by the committee on law reform of Assn. of the Bar of the City of New York calls attention to the fact that there has been a growing discussion among attorneys and others about the possibility of substituting such a rule for the present rule of contributory negligence, not only in New York but elsewhere around the country.

The law reform committee on which are such prominent names as Herbert Brownell, Jr., includes in its report a resolution which is scheduled to come up for further discussion in March. This resolution recommends legislation that contributory negligence shall not bar recovery in any action for damages arising out of wrongful death or injuries to person or property due to negligence, but any damages shall be diminished in proportion to the amount of negligence attributable to the decedent, the person injured or the owner or the person in control of the property damaged, provided that such contributory negligence was not greater than the negligence of the person against whom recovery is sought.

The report covers the main points involved in contributory vs. comparative negligence. The committee concludes that:

The proposition that recovery should be absolutely denied on the basis of any degree of personal fault on the part of the injured party, for the sheer reason of such fault, is no longer generally accepted.

As a practical matter, juries tend to circumvent the harshness of such rule by adjusting their findings of fact so as to reward damages on a comparative basis or to ignore contributory negligence entirely.

The prevailing contributory negligence rule encourages plaintiffs in cases in which there is any suggestion of contributory negligence, to demand a jury trial, thus unduly burdening the tort jury calendar.

The doctrine of comparative negligence is more equitable in application, has worked well in jurisdictions in which it has been adopted, has had constantly increasing acceptance and has been applied frequently and efficiently by the courts of New York.

The doctrine of comparative negligence should, however, be limited so that an injured person could not recover any portion of his damage if his negligence was greater than that of the person against whom recovery is sought.

The common law rule of contributory negligence which prevails in negligence actions has for some time been criticized as archaic, inequitable and impracticable; and it has been replaced in a number of common law jurisdictions by rule of comparative negligence. The deficiencies in the contributory negligence rule and the consequent tendencies of juries to evade it are deemed a major block in efforts to alleviate tort jury congestion by inducing jury waivers. Basically comparative negligence rules provide for loss

distribution based on modified comparative negligence.

New York courts adhere to the common law rule providing for the fixing of loss due to negligence, that any negligence by an injured party, no matter how slight, which contributed to the cause of his injury, constitutes an absolute bar to recovery by him. Adjustments are thus excluded which would distribute the burden of loss sustained according to the comparative negligence of the contributors to the injury. If a claimant cannot qualify for complete recovery by his own faultless conduct, he is barred from any recovery at all.

Under a comparative negligence statute, the burden of loss would be apportioned among the parties responsible for the injury in proportion to the degrees of their respective faults.

Thus, if an accident results in injuries of \$90,000 to A and \$10,000 to B, and A was 20% negligent and B 80% negligent, New York courts would decline to intervene under the prevailing rule of contributory negligence. A and B would each be obliged to shoulder the full burden of his injuries. Under the proposed rule of comparative negligence, the total loss of \$100,000 would be apportioned 20% or \$20,000 against A, who was found to have been 20% responsible for the injury, and 80%, or \$80,000 against B. Since A had sustained damages of \$90,000, he would be entitled to judgment against B in the amount of \$70,000. Or, a compromise type of adjustment under the same general theory would exclude B's injuries from consideration because of the great degree of his fault and simply give A 80% of \$90,000 or \$72,000.

The contributory negligence rule reflects the common law reluctance, as a matter of policy, to intervene on behalf of a party who had been responsible in any way or to any degree for his own plight. It has been suggested that this largely punitive doctrine might more properly be termed a rule of contributory fault. The absolute denial of recovery has the apparent virtues of simplicity and certainty of application, concededly important, particularly in jury trials. But the uncompromising severity of the rule is its basic weakness and has engendered widespread criticism that it is fundamentally inequitable.

New York courts have gone beyond many other common law jurisdictions in asserting the rule of contributory negligence. They place upon a claimant the burden of affirmatively alleging and proving his own faultless conduct

(CONTINUED ON PAGE 30)

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## Insurers Issue New Program for Traffic Safety in N. Y.

NEW YORK—A program for highway safety in New York state, calling for the creation of committees composed of leading citizens in each municipality, greater public participation in the development and support of highway safety, intensive law enforcement, new and improved roads, additional police personnel and expansion of driver education, has been announced by Insurance Industry Committee on Motor Vehicle Accidents.

The report is the result of more than a year's study by a special sub-committee representing all branches of casualty insurance, including stock and mutual companies, agents and brokers, and highway safety specialists. It has been sent to Governor Dewey, all members of the legislature, state departments that deal with motor vehicle problems, and municipal officials throughout the state.

The new program supplements a report that was issued by the same committee a year ago, in which the casualty insurers took a united stand against compulsory automobile liability insurance as a sound means of either promoting highway safety or adequately protecting the public against the economic results of motor vehicle accidents.

In its original report, the committee directed its attention principally to the reasons compulsory automobile insurance had failed in Massachusetts, and to newer and more effective methods of affording protection against the economic results of accidents. The committee stated at the time that only a sound, adequate highway safety program would reduce traffic accidents and proceeded to draft one for consideration.

The committee's program lists 12 major recommendations including:

—Traffic safety organizations and citizen's safety committees should be organized on both the state and municipal levels to provide public support for traffic safety programs.

—The entire state highway system should be brought up to proper safety standards at the earliest possible time, with provision made for having them adequately patrolled by the police.

—Driver education and training courses should be expanded for both high school students and adults.

—Driver licensing requirements should be greatly strengthened, and a centralized record system showing the driving history of all motorists should be established, and suspension and revocation of licenses should be used more frequently as a safeguard against bad drivers.

—A motor vehicle inspection system should be adopted as soon as possible.

to investigate auto accidents, liability insurance rates and related matters. There probably will be committee hearings on the proposal, and some kind of investigation, ultimately.

## State Disability Fund Proposed in Minnesota

ST. PAUL—A bill introduced in the lower house proposes to set up a state "disability fund" to pay weekly benefits to public or private employees "disabled physically or mentally." The bill calls for equal employer-employee contributions to the fund of 1/2% of the employee's annual wages up to \$3,600. Employees receiving benefits under workmen's compensation insurance would not be eligible to share in the fund.

Another bill would allow communities to establish low-cost, non-profit health plans for medical and hospital care with certain controls by the insurance department. They would be fashioned in a way after the township mutual fire companies.

In reference to a bill calling for in-

vestigation of automobile liability rates with a view to doing something to cut the cost of this coverage in Minnesota, Commissioner Nelson said he doubts if the rates will come down "in the near future." He also said there is no indication the rates will go up.

## Counsel Federation Surveys Auto Insurance Laws

The January issue of the quarterly publication of Federation of Insurance Counsel is devoted to a symposium on motor vehicle liability insurance. Charles B. Robinson, federation president, who is with the Chicago law firm of Meyers & Matthias, discusses safety-responsibility laws and introduces the eight articles.

Subjects covered are: Massachusetts compulsory insurance, by Thomas A. White of Employers Liability; Manitoba laws-impoundment by R. B. Baillie, Winnipeg commissioner of taxation; Canadian unsatisfied judgment funds, E. H. S. Piper, counsel of All-Canada Insurance Federations; North Dakota unsatisfied judgment fund, A. R. Bergeson of Fargo; New Jersey unsatis-

fied claim judgment fund law, Warren Gaffney, New Jersey commissioner; the Saskatchewan plan, C. M. Fines, Regina provincial treasurer; let's compensate—not litigate, Robert S. Marx of Cincinnati, and insure the driver plan, by Donald Knowlton, New Hampshire commissioner.

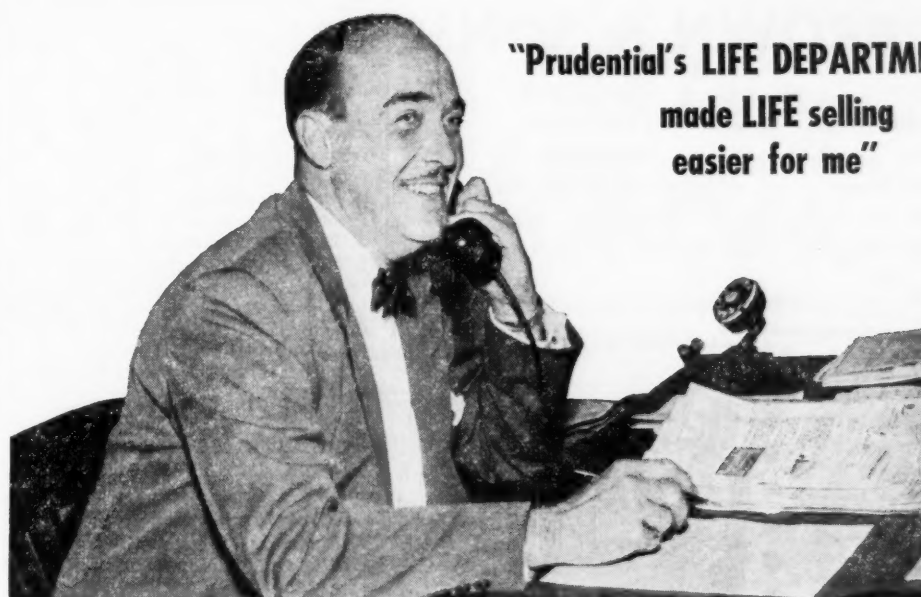
Several appendices give the conclusions of various legislative and industry committee reports on these subjects, and there is a bibliography.

Copies may be procured for \$1 each from the federation's secretary, William W. Mitchell, Union Planters Bank building, Memphis, Tenn.

## NAT'L INDEMNITY SELLS STOCK

National Indemnity of Omaha sold to present stockholders and to close business associates, 500 additional shares of \$100 par value stock at \$220 per share; thus increasing the capital to \$500,000, and surplus to \$500,000.

Joseph McGee Sr., of Thomas McGee & Sons of Kansas City went to St. Louis to join the train bringing ex-President Truman back to Independence, Mo.



Raymond L. Weil,  
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## St. Louis C.P.C.U.'s Elect

The St. Louis C.P.C.U. chapter has elected these officers: President, Elmer D. English, Insurers Service Corp.; vice-president, Clifford H. Rasmussen, General Ins. of Seattle; secretary, Albert L. Weiss, attorney, and treasurer Claude I. Lotshaw, Kemper agency.

## Congress May Study Auto Problems

WASHINGTON—Casualty insurance interests expect something will be done in Congress about the Javits proposal

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Business executives and tourists are excellent prospects for our broad form travel accident policy. It applies world-wide and includes coverage for accidents involving non-scheduled, privately owned and military aircraft.

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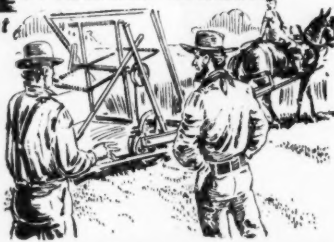
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## THEY MADE HISTORY 7: ANDREW JACKSON It Happened While He Was President



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Seventh President. Born March 15, 1767.  
Died June 8, 1845. Age 78.



**THE FIRST HARVESTER**

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**IN 1833 THE FIRST**

penny newspaper was published.



**THE POSTMASTER-GENERAL**

first joined the cabinet in 1829.

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Des Moines, Iowa



## ACCIDENT

### 160 Attend Bureau's Group Meeting at N. Y.

A record attendance of 160 representatives of 65 companies was present for the educational seminar on group A. & H. insurance conducted by Bureau of A. & H. Underwriters last week at New York.

E. A. Hauschild, Security Mutual Life, bureau chairman, opened the proceedings, and G. E. Light, Travelers, gave an introductory talk. Representatives of several state medical societies and hospital associations close to New York were on hand and participated in the discussions.

Arthur M. Browning, New York Life, opened the program with a talk on "Insuring Trustee Groups." Alan R. Willson, State Mutual Life, handled collective bargaining plans, and F. T. Googins, Massachusetts Mutual Life, talked on problems peculiar to both collective bargaining and trade association plans.

In the afternoon, Joseph F. Murphy, New York deputy superintendent, discussed commissions on group A. & H. N. B. Taft, New York Life, reviewed regulatory actions of other state insurance departments.

A highlight of the meeting was a discussion by representatives of the insurance business, the medical profession, and hospitals, focusing on the needs for cooperation. Ralph T. Heller, Prudential, presented insurer's views; J. E. Corr, chairman of medical economics committee of New York County Medical Society handled the doctor's side, and C. R. Rorem, executive director of Hospital Council of Philadelphia, spoke for the hospitals. M. D. Miller, Equitable Society, was discussion leader.

### Bennett to Liberty L.&A.

W. A. Bennett has joined Liberty Life & Accident of Muskegon, Mich., as chief underwriter. He has been in A. & H. insurance since 1946 as underwriter, chief underwriter and department manager of various companies.

He started with Federal Casualty of Milwaukee, later was with Combined of Chicago, Pyramid Life of Kansas City, Kan., and most recently with La Salle Casualty of Chicago.

### Fortnum to Federal L. & C.

Jack F. Fortnum will join Federal L. & C. Feb. 1 as assistant vice-president.

He will assist in developing an expanded life program. He has 17 years' experience in the life and A. & H. fields, most recently with Northwestern Life.

### Inman Speaks at St. Louis

C.C. Inman, executive vice-president of Illinois Mutual Casualty, spoke at a luncheon meeting of the A. & H. Underwriters Assn. of St. Louis, Jan. 22.

### New Conference Member

Benefit Assn. of Railway Employees of Chicago has joined H. & A. Underwriters Conference. This brings the membership to 188 companies.

### Ind. A. & H. Bill Gets "Do Pass"

The group A. & H. bill introduced

in the Indiana legislature last week with the backing of the various agent and company associations has been reported out of committee as "do pass." The bill includes the uniform provisions for individual policies and follows the H. & A. Underwriters Conference model group bill.

### Post-Examination Training for A.&H. Agents Urged

NEW YORK—Companies selling A. & H. insurance should utilize the period between the time a new agent takes his A. & H. license examination and gets his license as a period for schooling him in the particular types of policies sold by the company, Deputy Superintendent Brooks of the New York department told New York City A. & H. Club.

"I cannot overemphasize the importance of this post-examination training," he declared. "Our complaint bureau examiners, who are the sounding board of the public's complaints, can almost classify the agents of companies into two groups—those who have made good use of this post-examination training period and those who, in their anxiety for new business, throw the newly licensed agent into the maelstrom of competition, unprepared as to the contracts he is expected to sell."

Mr. Brooks said the department welcomes company training personnel who come to Albany to discuss their training problems arising out of trouble in getting agents through the examinations. He said the percentage of applicants passing in 1940, when the law became effective, was 56% and in 1952 it was 53%.

### Chicago A. & H. Meeting

Chicago A. & H. Assn. met on Jan. 20. Because of a misunderstanding in schedules, there was no speaker at the luncheon. Instead, the well attended gathering was treated to a movie produced by Bell Telephone Co., which traced the history of the telephone and of major historical events in the U. S. from just previous to the first world war to the present.

### Sales Congress at Tulsa

Tulsa Assn. of A. & H. Underwriters held a sales congress this week at which the principal speaker was Clifford E. McDonald, International Fidelity of Dallas. Members of the local life underwriters association also were on hand. The other speaker was R. L. McMillon, Business Men's Assurance, president of the Abilene association.

### Knutson Is A.&H. Leader

The Earl J. Knutson agency, Portland, Ore. led all Guarantee Mutual Life agencies in A.&H. sales for 1952, winning the traveling President's Cup for disability sales. Helmer T. Tinseth of the agency was first among all company agents in that class of business.

The company's 1952 A.&H. sales rose 60%.

Mrs. Beatrice Bliwas, Racine, Wisconsin manager of National Travelers of Des Moines for 2½ years, has announced her candidacy for election as mayor of Racine. She is the first woman candidate for the office in the history of the city.



## CHANGES

### Bramon Named Executive Assistant by Travelers

Guy E. Bramon, Jr., has been named as executive assistant by J. Doyle DeWitt, president of Travelers. He has been an assistant in the executive department since 1948 and with Travelers since 1938 when he joined the organization in the office manager's department at St. Louis. In 1939, he was transferred to Indianapolis as an assistant office manager in the life and accident division. After four years naval air corps service he returned to St. Louis in 1946 and in 1947 went to St. Paul as office manager.



Guy E. Bramon, Jr.

### U.S.F.&G. Promotes Gragg

H. Williford Gragg, assistant manager of U.S.F.&G. at Oklahoma City, has been appointed an assistant agency director and will be transferred to the home office Feb. 1. Mr. Gragg joined U.S.F.&G. at Oklahoma City in 1937, being transferred to Memphis the next year. Following war service with the marines, he rejoined the company at Oklahoma City in 1946.

David J. Stone, special agent at Oklahoma City, succeeds Mr. Gragg as assistant manager. He joined U.S.F.&G. in 1937.

### Aplin in Wash. Field

Donald B. Aplin has been appointed field underwriter for American-Associated at Seattle. He has been superintendent there of Great American. He will cover western Washington. A navy veteran, he was formerly with Northwest Casualty and George C. Newell & Co.

### Shelby to Public Service

John W. Shelby has been named manager of the underwriting department of Public Service Ins. Co., Fort Wayne, Ind. For the last two years he has been chief casualty underwriter of Manufacturers' Casualty at Indianapolis.

### On Executive Committee

J. Harry Schisler, 1st vice-president, and Gary Black, a son of the late Van Lear Black and grandson of H. C. Black, one of the founders of the company, have been elected to the executive committee of the directors of Fidelity & Deposit.

### Grant Darby Promoted

Travelers has promoted Grant M. Darby, Jr., to assistant manager of the casualty department for Colorado, Wyoming and New Mexico. He was formerly field supervisor.

### Bowling Asst. Personnel Chief

American Surety has appointed Glenn M. Bowling assistant manager of its personnel department. He joined the company following his graduation from Lincoln Memorial University at

Harrogate, Tenn., in 1937 and since 1948 has been in personnel work. He received his LL.B. from New York University and is a C.P.C.U.

### Huddy Heads Claim Division

Employers group has appointed Robert J. Huddy superintendent of the U. S. claim department. He has been assistant superintendent of that department since 1945. He joined Employers in 1935 following his graduation from Boston College.

### B. T. Kenney Is Promoted

Benjamin T. Kenney, who for six years has been on the bond staff of Swett & Crawford at San Francisco, has been made assistant manager there. He started with Fidelity & Casualty at Los Angeles and later was with National Automobile & Casualty before going with Swett & Crawford.

Malcolm W. Gannaway, Jr., on leave for 17 months as an officer in the air corps, has returned to Little Rock, Ark., as general agent for Massachusetts Protective.

### Van Urk Succeeds Walker in Philadelphia Agency Post

Fred T. Van Urk has been named Philadelphia general agent of Mutual Benefit H. & A., United Benefit Life and United Benefit Fire, to succeed the late D. S. Walker.

Mr. Van Urk has been with the agency since 1942 as associate manager with general administrative duties. He entered insurance with Equitable Society and was in the field for seven years before going to the home office in the estate planning and field training division. He is president of Philadelphia Assn. of A. & H. Underwriters.

### Forged Certificates Exposed

Maurice Weinzelbaum, the Chicago lawyer who is suspected of having obtained several hundred thousand dollars by way of forgery, confidence game and embezzlement, is alleged to have used forged stock certificates of Highway Casualty Co. of Chicago in furtherance of his schemes. Weinzelbaum was located this week in Brazil.

The states attorney's office charged

that Weinzelbaum had fake certificates printed and these were used as collateral on loans that were never repaid. The names of Charles Burmann, Jr., president of Highway Casualty, and Harry V. Gralnek, secretary, were forged to the certificates. Mr. Gralnek is a brother-in-law of Weinzelbaum.

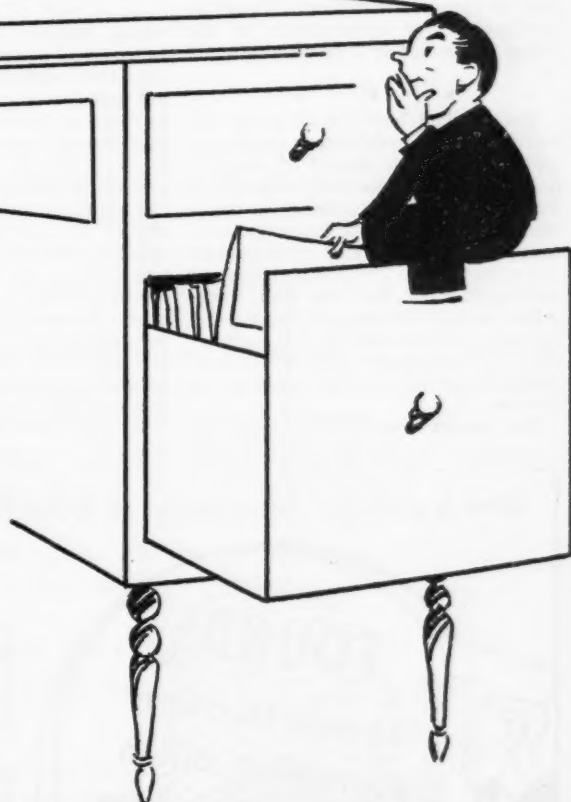
The management of Highway Casualty said that Weinzelbaum had never had any connection with that company and that he has never owned any stock. The certificates were not the same color as the genuine article and the format was different, indicating that Weinzelbaum didn't have an original to go on. It is said that one of the Chicago banks took in these spurious certificates on a loan and it will have a claim under its Lloyds policy.

### Still Heads Phila. Group

Casualty & Surety Managers Assn. of Philadelphia has elected these officers: President, Harold F. Still, London Guarantee & Accident; 1st vice-president, C. J. McNutt, Century Indemnity; and secretary, John H. Hoffman, Loyalty group.

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## Comparative Negligence Coming Up as Doctrine

(CONTINUED ON PAGE 26)

as a substantive prerequisite to recovery rather than availing it to his opponent as an affirmative defense which must be alleged and proved as such. This burden is removed only in the instance of wrongful death actions.

On the other hand, an adequate evaluation of the rule of contributory negligence requires consideration of two counter doctrines which have evolved principally in response to increasing pressure to mitigate it to some extent: the doctrines of gross negligence and last clear chance. Under the former, the recovery by a contributory negligent claimant is permitted on the face of so called gross negligence by the opposing party. Under the second doctrine, a claimant is entitled to complete recovery despite his contributory negligence if it can be shown that even though his negligence placed him in a position of helplessness, the other party perceived the situation and could have prevented the injury upon the exercise of due care.

In last clear chance cases the contributory negligence rule has become confused and self-contradictory in theory and most difficult to apply, the report asserts. An artificial and at best fortuitous standard has been created as to who should be barred completely by his own fault and who should slip into the exception and win full recovery despite what might be greater fault. The various elements making up the last clear chance exception present highly speculative issues of fact, each of which must be resolved. This inevitably requires numerous and intricate instructions from the bench, tailored to each particular case if even an intelligent jury sympathetic to the policy of the law is to be able to apply it.

The marked hostility of juries toward the basic contributory negligence policy of absolute denial of recovery has aggravated these deficiencies in it. There is a general tendency to evade this consequence by findings not warranted by the facts and crude kangaroo adjustments. The complexities and artificialities of the law lend themselves to such circumvention so that a claimant may be awarded full recovery though it is contrary to the facts, or an adjusted partial recovery contrary to the law.

The report also touches upon the

effect of the contributory negligence doctrine in crowding court calendars. The presiding justice of the first department of the New York court system has stated:

"Undoubtedly a principal reason for the refusal of plaintiffs' lawyers to waive juries in many personal injury cases is the feeling that a jury might be less strict in the application of the rule of contributory negligence than a judge. In addition to considerations of substantive justice which support the rule of comparative negligence rather than the present rule of contributory negligence, I feel that a rule of comparative negligence in trials before a judge without a jury would induce many more waivers of jury trials and materially contribute to the reducing of calendar congestion and speeding up the trial process. The matter, therefore, merits prompt and serious consideration."

The comparative negligence rule provides a direct, explicit scheme of loss distribution in accordance with what appear to be generally accepted notions of fairness, and this is its virtue, the report contends. The basic punitive policy of contributory negligence is abrogated or greatly reduced, and the complexities of its various makeshift modifications are eliminated. However, a change of such substance warrants serious and thoughtful consideration of many potential deficiencies.

It seems likely that new inequities would appear in the application of the new rule in extreme situations entitling a claimant to a substantial recovery against a party whose negligence contribution was small. For example, if an individual were injured due 90% to his own fault and damages of the total amount of \$100,000 were determined, recovery of \$10,000 might still be awarded against the party who was only 10% negligent. The abuses possible under such a scheme, particularly in view of the tendency toward large jury awards, seems clear. Consequently, it is thought that under the rule any claim should be barred in which the claimant is more negligent than any of the parties against whom the claim is asserted. This complicates the rule to some extent and by use of contrived borderline situations it may be made to seem artificial. But it is pointed out that it does not necessitate any additional findings of fact and is believed to present a sound, practical and consistent policy.

It might also be objected that adop-

tion of such a rule would increase the number of claims that are presently not asserted because of a clear element of contributory negligence. This is particularly important in New York in view of the congestion there. On the other hand, because of the attitude of juries toward slight contributory negligence, it is thought that such claims are presently asserted in New York.

The most frequent objection to adoption of the doctrine is as to its practicability, that the refined adjustments which it would require would be difficult to determine by judges and impossible to determine by juries. What is negligence in a given case can easily be affirmed by a jury but in what degree the negligence consists is not so easily determined. This problem of measuring degrees of negligence rather than determining the simple fact of negligence represents a considerably more difficult undertaking. But the present rule is encumbered with contradictory and artificial modifications and is generally regarded as something to be evaded rather than applied. The comparative negligence theory would present new but not greater difficulties.

In general response to the objections is the fact that the doctrine of comparative negligence in some form has been applied with apparent success, though without juries, in civil law and in admiralty jurisdictions. An increasing number of common law jurisdictions are adopting it for use with juries. General comparative negligence statutes applicable to all personal injury situations were adopted by Mississippi in 1910, Nebraska in 1913, South Dakota in 1941 and Wisconsin in 1931; by England in 1945, British Columbia 1925, New Brunswick 1927, Nova Scotia 1926 and Ontario 1930. In addition, the rule has been adopted by statute to cover special situations by more than half the states and by the federal government in the federal employers' liability act, 1908.

Though bills have been introduced in the New York legislature and failed of passage, New York courts and juries actually have been governed by rules of comparative negligence on many occasions with no reported difficulty. One example is Fitzpatrick vs. International Railway Co., 252 N.Y. 127 (1929), in which plaintiff brought suit in New York for injuries sustained in Ontario while in the employ of a New York corporation. The plaintiff claimed the benefit of the Ontario contributory negligence act which appor-

tions damages on the basis of comparative negligence and places the burden of proving the plaintiff's negligence upon defendant. Here the court found the plaintiff was contributorily negligent 10% and judgment of 90% of damages was rendered.

The experience in Wisconsin, where the comparative negligence law has been in effect more than 20 years, in the opinion of insurance men who have worked under it is that it has worked well and there are no serious complaints about it.

The law in Wisconsin is regarded as a good one, and it is considered by insurance men to be well administered. Jurors in Wisconsin generally do a conscientious job; judges are considered honest and capable.

However, the important thing seems to be that juries bring in special verdicts rather than general verdicts. They must specifically measure negligence in connection with speed, attention, control, and so on. Consequently the court is able to exert some control over an improper finding by the jury. The state supreme court has established some standards which are followed as guides. When both parties to the suit are guilty of excessive speed, the jury is not allowed to find that one is more negligent than another.

In the middle area, when a plaintiff who is guilty of 49% negligence recovers 51% of his damages while a plaintiff 50% negligent recovers nothing, the result is harsh and is hard to avoid.

Possibly a provision barring recovery from a defendant unless he were guilty of 10% or more negligence might help here. Perhaps the spread should be 20%.

A comparative negligence law should, Wisconsin insurance men believe, be accompanied by legislation for special verdicts which would enable the court to determine if the jury properly had considered the facts so as correctly to penalize the plaintiff for negligence he may have been guilty of.

Under the Wisconsin law, the jury finds the amount of damages without regard to liability. It next finds the points on which they determine that each party has been negligent. Then it determines the degree of negligence of each and expresses it in a percentage. The court then determines the liability and applies the percentage found to the damages determined by the jury and renders a judgment upon the special verdict.

The law in Wisconsin does not seem to have increased or decreased the number of jury cases. The plaintiff still wants a jury rather than a judge; probably the jury is more liberal.

## Would Amend N. J. UJF Act

A bill has been introduced in the New Jersey legislature to amend the unsatisfied judgment fund act to provide that motorists with liability coverage would not need to contribute to the fund. Presently the law would assess them \$1 a year.

The proposed change calls for taxing the uninsured driver, now to be assessed at \$3 a year, \$5 in 1954, \$10 in 1955 and \$20 in 1956 and thereafter.

## New Farmers of L. A. Sprout

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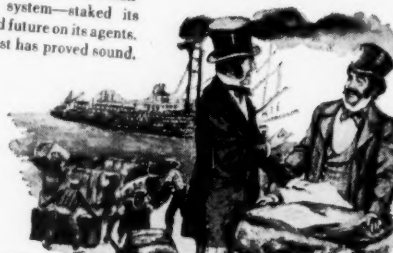
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